

Jefferson County, Wisconsin



Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Jefferson County, Wisconsin



Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Prepared by

Jefferson County Finance Department

Brian Lamers, Finance Director

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INTRODUCTORY SECTION



JEFFERSON COUNTY, WISCONSIN

Finance Department

Brian L Lamers, CPA, Finance Director

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June 2, 2016

To the County Board of Supervisors and the Citizens of Jefferson County:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Jefferson for the calendar year ended December 31, 2015. To satisfy requirements of state law, this report has been prepared by the County's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Jefferson County's financial management is responsible for the completeness and fairness of the information, including disclosures, presented in this report. We believe the information presented is complete and reliable in all material respects, and that it fairly presents the County's financial position and results of operations. To provide a reasonable basis for making these representations, management of the County has established a comprehensive framework of internal control. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

A firm of licensed certified public accountants, Sikich LLP, has performed an independent audit of, and issued an unmodified opinion on, the County's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The County is required to undergo an annual Single Audit in conformity with the provisions of the U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. The auditors' reports related specifically to the Single Audit are not included in this document, but are issued under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Jefferson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Policy-making and legislative authority are vested in a 30-member Board of Supervisors. Each Supervisor serves a two-year term and is elected in April of the even numbered calendar years. The Board of Supervisors appoints the County Administrator. The financial reporting entity includes all the funds of Jefferson County. The government provides a full range of services to meet the needs of its citizens. These services include:

- General and financial administration, including tax collections
- Judiciary services and legal counsel
- Property records
- County planning and zoning
- Public safety, including Sheriff, emergency management, and correctional facilities
- Health and Human services
- Public works, including transportation and facilities maintenance
- Veterans assistance
- Medical examiner
- Election administration
- Cultural and recreational activities, including parks
- University of Wisconsin extension services
- Conservation of natural resources

The County is required to adopt a budget in conformance with Chapter 65.90 of the Wisconsin State Statutes. Adoption of the budget for the ensuing year takes place at the November County Board meeting. The County Board holds required public hearings on the proposed budget prior to adoption. The budget must list all existing indebtedness of the County and include anticipated revenues from all sources during the ensuing year, and must list all proposed appropriations for each department during the ensuing year. The budget must show actual revenues and expenditures for the prior year and not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year. Budget-to-actual comparisons are provided in the other supplementary information section of this report for each fund for which an appropriated annual budget has been adopted.

Local Economy

Jefferson County, established in 1836, serves a population of approximately 84,255. It is located in south-central Wisconsin, approximately mid-way between Madison and Milwaukee, which are the two largest population centers in the state. The County is bisected by I-94 which runs east/west. The Highway Department maintains about 436 miles of interstate, state, and county roads. The County encompasses about 583 square miles and consists of 16 towns, 5 villages, and 5 cities. The cities/villages of Cambridge (Dane), Lac LaBelle (Waukesha), Watertown (Dodge), and Whitewater (Walworth) are geographically split with other counties.

Relevant Financial Policies

Fund Balance: The County places an emphasis on policies that maintain appropriate fund balance/net position reserves to assist with making current and long-term budgetary projections and decisions. The current policy requires a minimum of two months of budgeted expenditures to be retained for working capital, with a goal of three months to be retained. At December 31, 2015, the County has retained the three month goal and has an additional \$673 thousand available. A decision on the usage(s) of the \$673 thousand will occur during the preparation of the 2017 tax levy, which will be adopted in November 2016.

Long-term Financial Planning

As part of long range planning, the County employs a five-year capital expenditure plan. The plan identifies capital expenditures and the methods to finance them. Capital requests need to provide sound justification based on established need. Justification should also include alternatives considered and future projected impact on operating budgets.

Future plans include the construction of two new Highway satellite shops with the main funding source coming from bonding and continued investment in infrastructure including highway improvements and other capital expenditures which will be funded through property tax levy.

Major Initiatives

The 2016 budget includes \$9.5 million of Capital Items which some of the major items include \$1.4 million for an interurban multi-use trail which is funded by grants and donations, almost \$5 million of flooded properties to be purchased using grant funding, approximately \$1.2 million for new highway equipment and \$4.5 million in road improvements that are funded through levy.

The 2017-2021 Capital Finance Plan is approximately \$40 million of which \$10 million is coming from other sources such as grants and fees, the remaining \$30 million would be covered by carryover funds or levy. Of the \$40 million road improvement projects is about \$23 million and \$5.7 million is for highway equipment. Another major capital item in the 5 year plan is about \$4 million for the interurban multi-use trail which is funded by grants and donations.

Budgeting Controls

The County adopts a balanced budget each year which all expenditures have identified sources of funding such as property tax, other revenues or use of fund balance. The detailed budget document is adopted at the department level but monitored at the cost center level or by function. A cost center can be a department or an activity within a department. Management can make transfers within a department or an activity within a department. Management can make transfers within a department without approval of the Finance Committee or County Board.

To supplement the appropriation for a department the Finance Committee can approve transfers from contingency. Transfers may not exceed 10% of the funds originally appropriated for that department. Transfers in excess of 10% must follow the budget amendment process and be approved by the County Board.

The County is required to publish budget amendments as a class 1 notice within 10 days after the change is made.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County for its comprehensive annual financial report for the fiscal year ended December 31, 2014. This was the third year that Jefferson County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

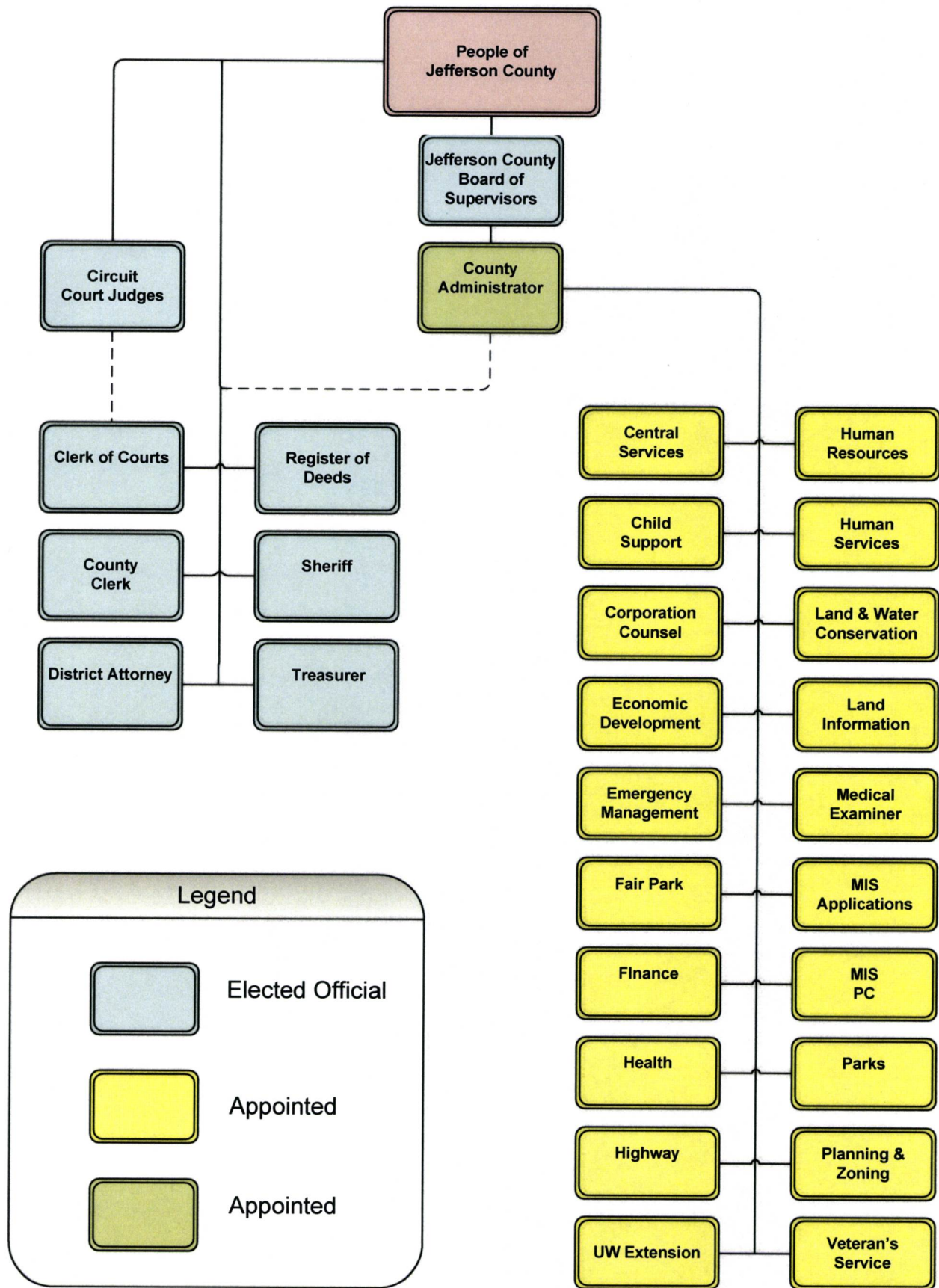
The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department as well as financial staff throughout the County. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Finance Committee and County Board of Supervisors for their support in attempting to maintain the highest standards of professionalism in the management of Jefferson County.

Respectfully submitted,

A handwritten signature in black ink that reads "Brian L. Lamers". The signature is written in a cursive, flowing style.

Brian L. Lamers, CPA
Finance Director
Jefferson County

Jefferson County Government Organizational Chart



**Jefferson County, Wisconsin
List of Principal Officials
(as of the date of the report issued)**

Elected Officials

Clerk of Courts	Carla J. Robinson
County Clerk	Barbara A. Frank
County Treasurer	John E. Jensen
District Attorney	Susan V. Happ
Register of Deeds	Staci M. Hoffman
Sheriff	Paul Milbrath

County Board of Supervisors

Dist	Name	Dist	Name
1	Richard C. Jones	16	Laura Payne
2	Mike Kelly	17	Russell Kutz
3	Greg David	18	Jennifer Hanneman
4	Augie Tietz	19	Jim Schroeder (Chair)
5	James Braugher	20	Jim Mode
6	Ron Buchanan	21	John C. Kannard
7	Dwayne C. Morris	22	Blane Poulson
8	Michael Wineke	23	George Jaeckel
9	Amy Rinard (Second Vice-Chair)	24	Mark Klubertanz
10	Lloyd Zastrow	25	Matthew Foelker
11	Donald Reese	26	Gregg Patrick
12	Peter Hartz	27	Glen Borland
13	Ed Morse	28	Dick Schultz
14	Kirk Lund	29	Timothy Smith
15	Steven J. Nass (Vice-Chair)	30	Gary Kutz

Non-Elected Department Heads

County Administrator	Benjamin Wehmeier
Central Services	Mark Miller
Child Support	Stacey Jensen
Corporation Counsel	Blair J. Ward
Economic Development	Genevieve Coady
Emergency Management	Donna Haugom
Fair Park	David Diestler
Finance	Brian Lamers, CPA
Health	Gail Scott
Highway	William T. Kern
Human Resources	Terri M. Palm-Kostroski
Human Services	Kathleen Cauley
Land and Water Conservation	Mark Watkins
Land Information	Andrew J. Erdman
Management Information Systems	John Rageth
Management Information Systems	Roland Welsch
Medical Examiner	Nichol Wayd
Parks	Joseph Nehmer
UW Extension	Steve Grabow
Veterans Services	Yvonne Duesterhoeft
Zoning and Planning	Robert Klotz



Government Finance Officers Association

**Certificate of
Achievement
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**Jefferson County
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014



Executive Director/CEO

FINANCIAL SECTION



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Jefferson County, Wisconsin
Jefferson, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin (the County), as of and for the year ended December 31, 2015, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. The adoption of Statements No. 68 and 71 resulted in a prior period adjustment which is discussed in Note IV. B. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "S. J. H. C. P.", is positioned to the right of the introductory paragraph.

Brookfield, Wisconsin
June 2, 2016

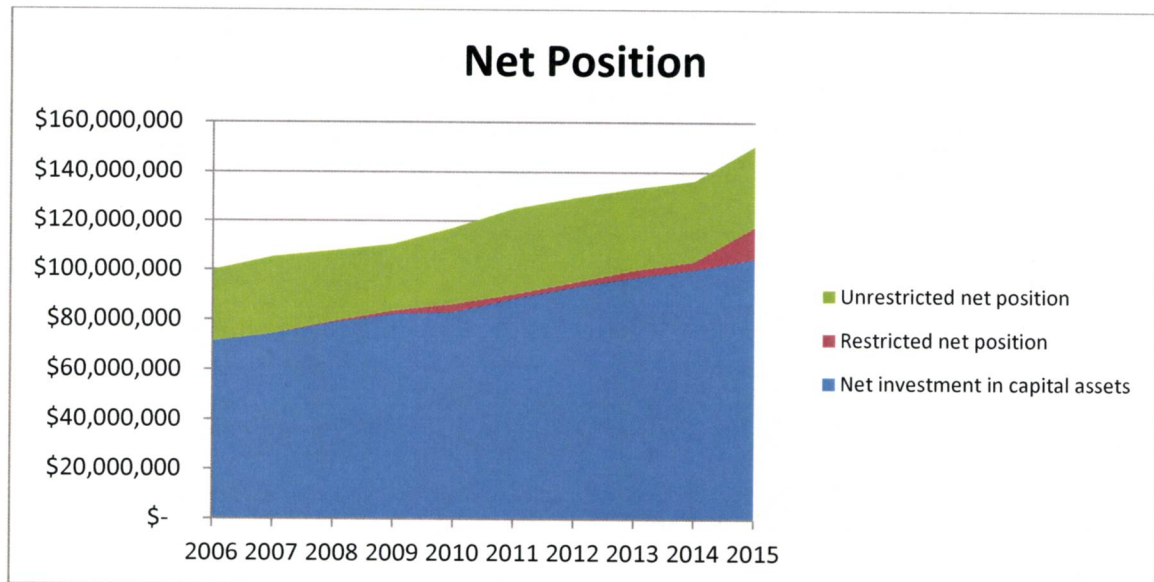
Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2015

This section of Jefferson County, Wisconsin's comprehensive annual financial report presents a discussion and analysis of the County's financial activities for the fiscal year ended December 31, 2015. Please read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

The beginning balance of Net Position has been restated by \$8.9 million for Governmental Activities and \$917 thousand for Business-Type Activities for a total of \$9.8 million as a result of GASB Statement No. 68-*Accounting and Financial Reporting for Pension-an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71-*Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net position asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows of resources at the close of 2015 fiscal year by \$150.7 million (*net position*). Of this amount, \$33.0 million is classified as *unrestricted net position*, \$13.1 million is restricted for specific purposes (*restricted net position*) and \$104.6 million is net investment in capital assets.
- The County's total net position increased by \$14.3 million or 10.4% prior to the restatement of the beginning balance noted above. Of this amount, governmental activities increased by \$10.8 million and business-type activities increased by \$3.5 million.
- The chart below shows the history of net position from 2006 to current.



- As of December 31, 2015, the County governmental funds reported combined fund balances of \$33.7 million, an increase of \$.5 million in comparison to 2014. Approximately 52% of the combined fund balances, or \$17.6 million is available to meet the County's current and future needs (*unassigned fund balance*).
- Unassigned fund balance for the General Fund was \$17.6 million as of December 31, 2015. This represents an amount equal to 61% of total general fund expenditures for

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2015

the fiscal year. General fund revenues had an increase of \$.76 million or 2.7%, expenditures also had an increase of \$95 thousand or 0.33% from the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the County's financial statements, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities and deferred inflows, with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include (a) general government, (b) public safety, (c) health and human services, (d) culture, recreation, and education, (e) conservation and development, (f) public works, and (g) debt service. The business-type activity of the County is only the Highway Department for 2015.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2015

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, Human Services Fund and Capital Projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The County adopts an annual budget for all of its governmental funds. Budgetary comparisons for all funds with adopted budgets have been included in other supplementary financial information to demonstrate compliance with the budget.

The basic governmental fund financial information can be found on pages 28-32 of this report.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Highway activity. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County does not use any internal service funds.

Proprietary fund financial statements provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The Highway Department, an enterprise fund, is also considered a major fund and is presented by itself.

The proprietary fund financial statements can be found on pages 33-36 of this report.

Fiduciary funds account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

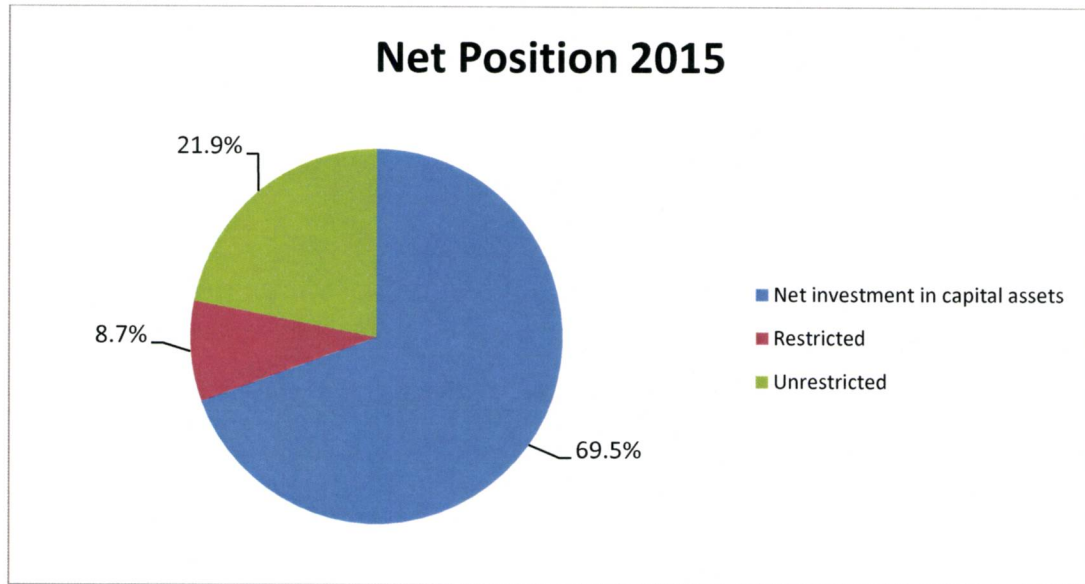
The County does not report any fiduciary funds.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-72 of this report.

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2015

Government-wide Financial Analysis

Net Position -- As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$148.7 million at the close of the most recent calendar year.



Net Position
(in thousands)

	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Current Assets/Outflows	\$ 75,557	\$ 67,434	\$ 13,989	\$ 13,416	\$ 89,546	\$ 80,850
Capital Assets	94,757	89,993	24,832	21,812	119,589	111,805
Total Assets	170,314	157,427	38,821	35,228	209,135	192,655
Current Liabilities/Inflows	30,675	31,742	6,358	6,192	37,033	37,934
Long-Term Liabilities	20,830	17,689	560	581	21,390	18,270
Total Liabilities	51,505	49,431	6,918	6,773	58,423	56,204
Net Position						
Net Investment in						
Capital Assets	94,757	89,993	24,832	21,812	104,605	100,198
Restricted	12,048	3,270	1,039	135	13,087	3,405
Unrestricted	12,004	14,733	6,032	6,508	33,020	32,848
Total Net Position	\$ 118,809	\$ 107,996	\$ 31,903	\$ 28,455	\$ 150,712	\$ 136,451

The large portion of the County's net position (69.5%) reflects its investments in capital assets (land and easements, structures and improvements, infrastructure and equipment, less any related debt used to acquire those assets that are still outstanding). The County uses these

Jefferson County, Wisconsin
Management Discussion and Analysis
December 31, 2015

capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, the depreciation of capital assets is an expense for proprietary funds and therefore, as an expense, is available to be reimbursed through user fees of those funds.

An additional portion of the County's net position (8.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (21.9% or \$33.0 million) may be used to meet the County's ongoing obligations to citizens and creditors.

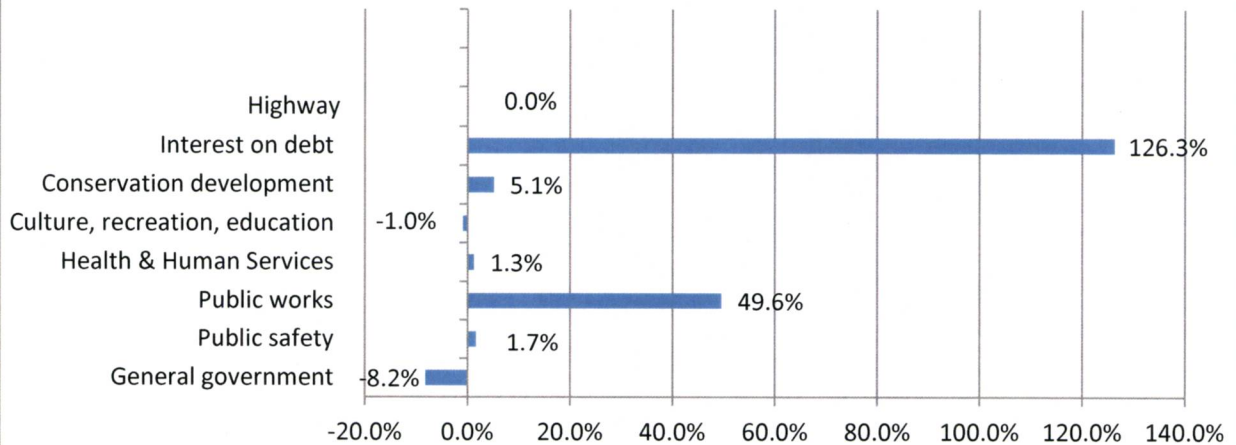
Change in net position – At the end of the calendar year, the County reported total revenues of \$64.2 million and total expenses of \$59.8 million, which resulted in an increase of \$4.4 million (after considering transfers and after the restatement of the beginning net position as previously stated). The table below and the narrative that follows consider the key elements of this increase broken down by both governmental and business-type activities.

The graphs below focus on the change in expenses.

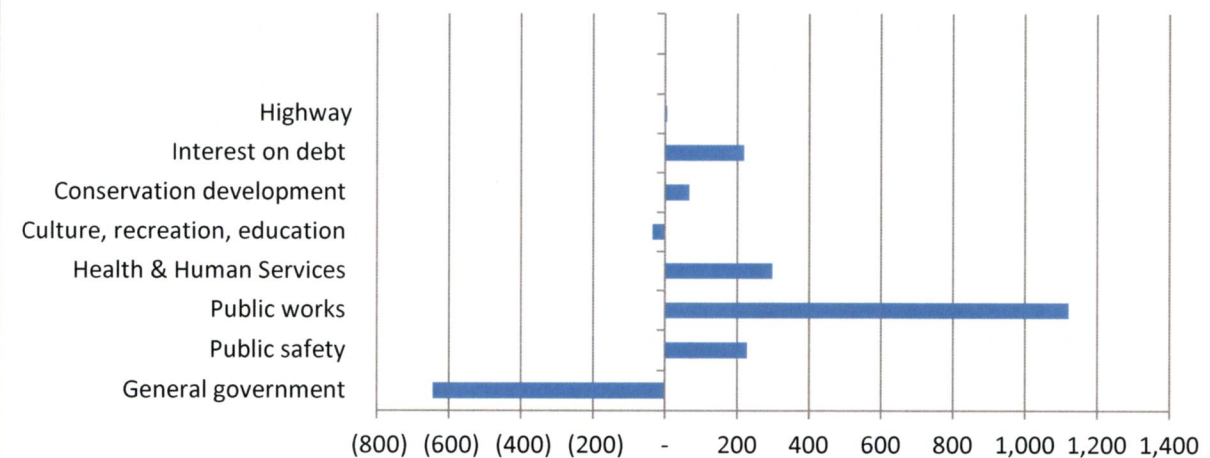
(in thousands)	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Program revenues						
Operating grants & donations	\$ 10,315	\$ 9,740	\$ 1,629	\$ 1,584	\$ 11,944	\$ 11,324
Capital grants & donations	548	660	628	-	1,176	660
Charges for services	10,337	10,241	3,048	3,242	13,385	13,483
General revenues						
General property taxes	21,912	21,822	5,744	5,949	27,656	27,771
Debt service property taxes	1,180	-	-	-	1,180	-
Sales tax	5,848	5,598	-	-	5,848	5,598
Other taxes	251	217	-	-	251	217
General state aid	2,160	2,158	-	-	2,160	2,158
Investment earnings	368	371	-	-	368	371
Sale of County property	-	-	263	177	263	177
Total revenues	52,919	50,807	11,312	10,952	64,231	61,759
Expenses						
General government	7,218	7,863	-	-	7,218	7,863
Public safety	13,633	13,405	-	-	13,633	13,405
Public works	3,380	2,260	6,205	6,200	9,585	8,460
Health & Human Services	24,013	23,716	-	-	24,013	23,716
Culture, recreation, education	3,623	3,658	-	-	3,623	3,658
Conservation development	1,367	1,300	-	-	1,367	1,300
Interest and fiscal charges	391	173	-	-	391	173
Total expenses	53,625	52,375	6,205	6,200	59,830	58,575
Change in net position before transfers	(706)	(1,568)	5,107	4,752	4,401	3,184
Transfers	2,576	(8,242)	(2,576)	8,242	-	-
Change in net position	1,870	(9,810)	2,531	12,994	4,401	3,184
Net Position-beg. balance, restated	116,939	117,806	29,372	15,461	146,311	133,267
Net Position-ending balance	\$ 118,809	\$ 107,996	\$ 31,903	\$ 28,455	\$ 150,712	\$ 136,451

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**Percent change in functional expense
between 2015 and 2014**



**Dollar change in functional expenses between
2015 and 2014
(in thousands)**



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Explanation of Functional Changes

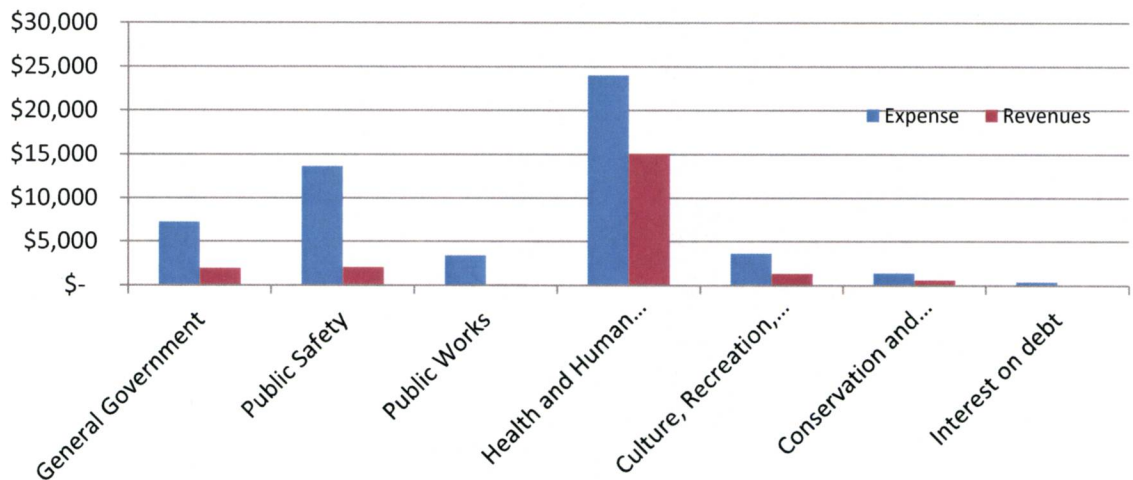
Governmental activities – Net position for governmental activities before transfers decreased by \$.79 million. Transfers in was \$2.56 million, making a total increase in net position of \$1.77 million. Explanations of some of the major changes or percentage changes above/below 10% are recapped below:

- Operating grants and contributions increased by \$575 thousand or 5.9%. The single largest reason for this increase is health and human services grants of \$514 thousand with additional approved programs. With the additional funding in health and human services grants there was an offsetting increase of expenditures of \$354 thousand.
- Capital grants and contributions decreased by \$112 thousand or 17%. The single largest reason for this was the amount spent on flood mitigation properties in 2015 from 2014. For these purchases, the cash outlay was recorded as an asset, so there were no corresponding expenses to offset the state aid received.
- Debt service property tax was increased by \$1.2 million or 100%. The first payment on the 2013 and 2014 outstanding debt was made in 2015. There were payments required of \$995 for principal and \$415 thousand in interest payment. There was \$187 thousand of interest payments that was part of the initial bonding.
- Other taxes increased from \$217 thousand to \$251 thousand for a total increase of 15.9% which is due to increase in real estate transactions.
- Public works increased by \$1.1 million simply caused by an increase in projects and costs.
- Interest expense increased by \$218 thousand or 126%. As noted above with the debt service property tax, in 2015 there was \$187 thousand of interest payments that was part of the issuance of bonding.
- Transfers between the government type activities (capital projects) and the business type activities (highway department) included a capital contribution of \$3.2 million for construction of a new highway facility and a transfer from the business type activities of \$5.8 for infrastructure to the government type activities for a net of \$2.6 million.

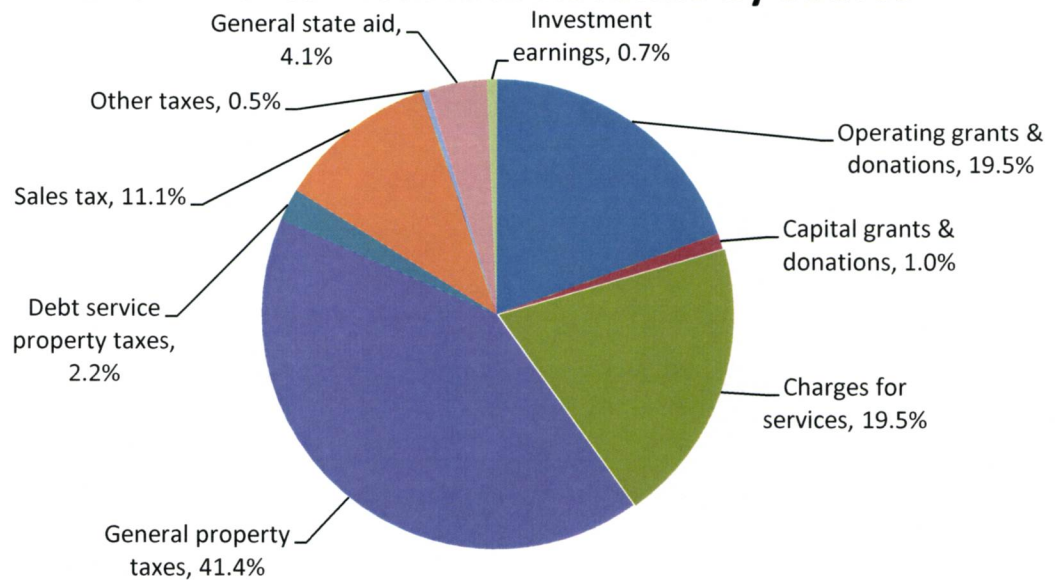
The three charts that follow compare (1) total governmental activity expenses to program revenue (which does not include general revenues of property and other taxes), (2) all revenue sources for governmental activities, and (3) all expense categories for governmental activities.

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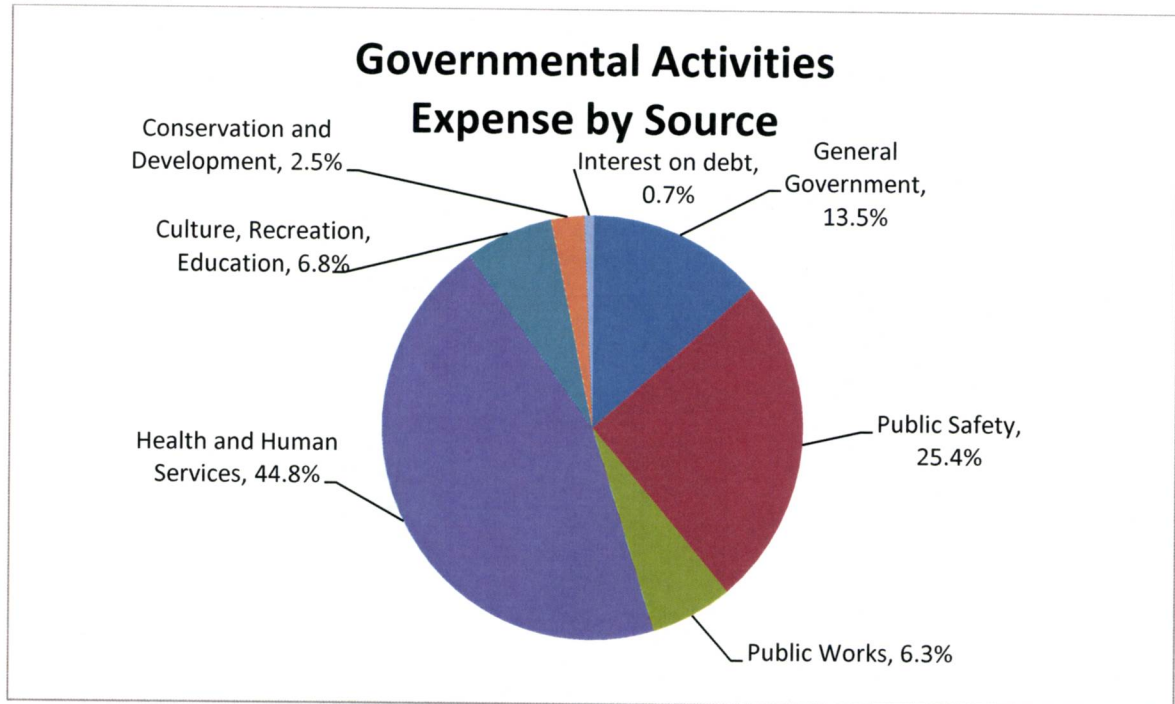
Governmental Activities Expenses and Program revenues (in thousands)



Governmental Activities Revenue by Source



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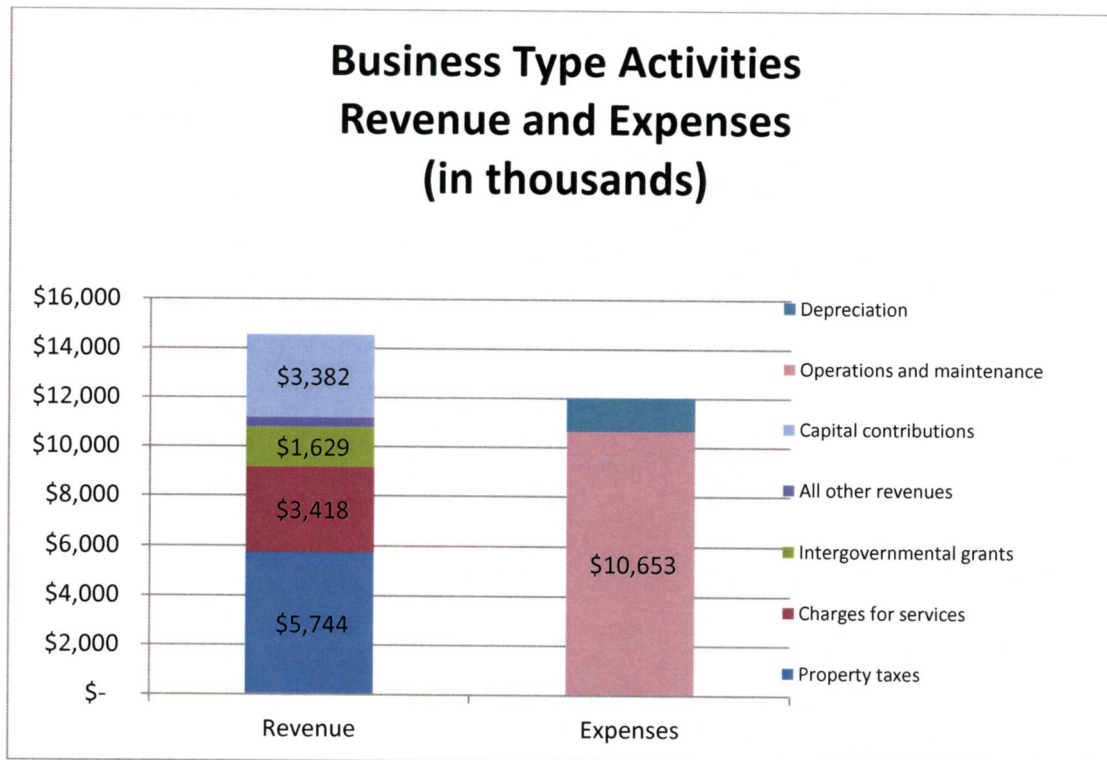
Business-type activities

Net position for the Highway Department increased by \$2.5 million or 8.6%. Some of the largest factors causing this increase in net position were:

- Capital contribution into the Highway Department included an additional \$3.4 million for the construction activity for the completion of the new Highway facility from the governmental activities.
- Charges for services increased by \$.46 million or 15.6%, in 2015 the Highway Department received \$.49 million in local road improvement program funding from the state towards a project and no funding in 2014.
- Miscellaneous revenue decreased by \$164 thousand or 57.2%, due to less accident charges and a decrease in material handling charges from 2014.
- The property tax levy for 2015 decreased by \$205 thousand or 3.5% over the prior year.
- Gain on disposal increased by \$87 thousand which is a 48.9% increase from prior year due to the trade in program on certain equipment.
- Operation and maintenance increased by \$1.6 million or 18%, which one of the main factors was additional road construction.
- Depreciation expense increased by \$285 thousand or 26.2%, in 2015 the new main highway shop was complete and a portion of the year was depreciated causing the increase in depreciation expense.

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The chart below recaps the major revenue and expense categories for business type activities.



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

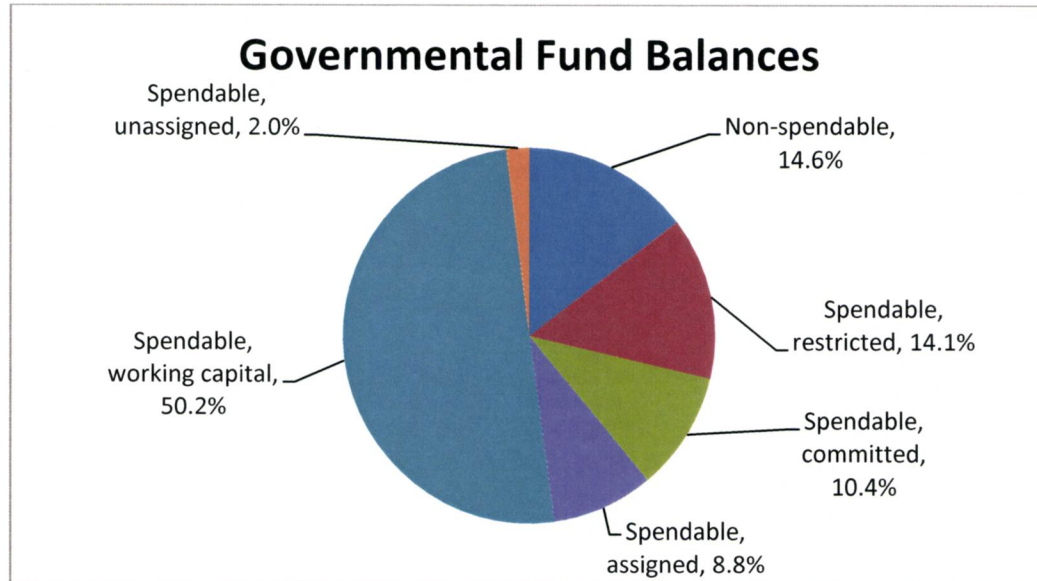
Governmental Funds – The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balance of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

As of December 31, 2015, the County's governmental funds reported combined ending fund balances of \$33.8 million. A breakdown of the various components of the fund balance amounts is below. For even more detail, please see the notes section on pages 63-64.

- Non-spendable, \$4.9 million (Cannot be spent because of their non-cash form.)
- Restricted, \$4.8 million (Funds are specifically restricted by a third party.)
- Committed, \$.2 million (Not available for new spending because it has already been committed by the County Board.)
- Assigned, \$6.3 million (County Board has expressed their "intent" to spend these funds in the future but has not authorized the spending yet.)
- Unassigned, working capital, \$16.9 million (The adopted Fund Balance Policy requires a minimum of two months of budgeted expenditures to be retained for working capital. The value listed here is the "goal" of three months.)

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- Unassigned, \$.7 million (As per the Fund Balance Policy, these funds shall be used for levy reduction, debt repayment, and/or near-term future capital purchases.)



General Fund – The General Fund is the chief operating fund for the County. The ending fund balance was \$30.0 million. This was an increase of \$.73 million over the prior year. The major part of this increase was the transferring of a \$.21 million surplus from the Human Services Special Revenue fund.

Human Services – The Human Services Special Revenue Fund increased by \$.32 million. There was a surplus of \$.53 million prior to transferring \$.21 million to the General Fund. The surplus was due to several factors including a favorable budget balance of \$.34 million from the Children's Long Term Support (CLTS), \$.26 million from Hospital/Detox budget and \$.27 million savings from salaries and fringe savings, offsetting the favorable balances were Children's Alternate Care Program due to high cost placements of an unfavorable amount of \$.34 million. The increased balance in committed fund balances was the result of monies authorized to be carried forward into 2016 in order to reduce the 2017 tax levy.

Capital Projects – The Capital Projects Fund went from \$2.2 million to \$1.8 million. The fund was basically used in 2015 for the construction of new Highway Department facilities. In 2013, the County issued \$3.505 million debt, in 2014 another \$9.995 million in debt and \$3.885 million in 2015. The balance of the \$1.8 million in the fund will be used to complete the construction of the new satellite facilities and demolition of the existing facilities.

Non-major Governmental funds – The Non-major Governmental fund balance went from \$1.1 million to \$.9 million.

The Health Department's fund balance decreased by \$58 thousand or 6.5%. The 2015 Budget included the use of \$134 thousand in fund balance and another \$73 thousand was for anticipated retirement payouts. With the budgeted \$207 thousand decrease in fund balance and the actual decrease of \$58 thousand there is a favorable variance of \$149 thousand for the department. One factor was less expenditures than anticipated in the finalization of the Personal Care Program that was transferred to the state. For that program, expenditures for agency

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staffing was \$50 thousand less. Also finalization from the state was \$59 thousand favorable from the budgeted amount. Because the Health Department is not county-wide, all fund balances by statute have to remain separate from the General Fund.

The Debt service fund went from \$188 thousand to \$75 thousand. In 2015, when the general obligation debt was issued it included \$75 thousand to be used for the 2016 interest payment. Principal paid in 2015 was \$995 thousand and interest paid was \$415 thousand.

Proprietary fund – The County's proprietary fund provides the same type of information found in the County's government-wide financial statements, but in more detail. The County's only remaining proprietary (or business-type) fund is the Highway Department.

Highway Department – Unrestricted net position decreased to \$.48 million or 7.3% over the prior year. The total net position increased by \$2.5 million. The major changes were from the increase in investment in capital assets, gain on disposal and capital contributions. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget resulted in an increase in net appropriations of \$1.2 million prior to other financing sources.

During the year, actual revenues were \$.55 million above the final amended budget. Some of the larger areas contributing to this were:

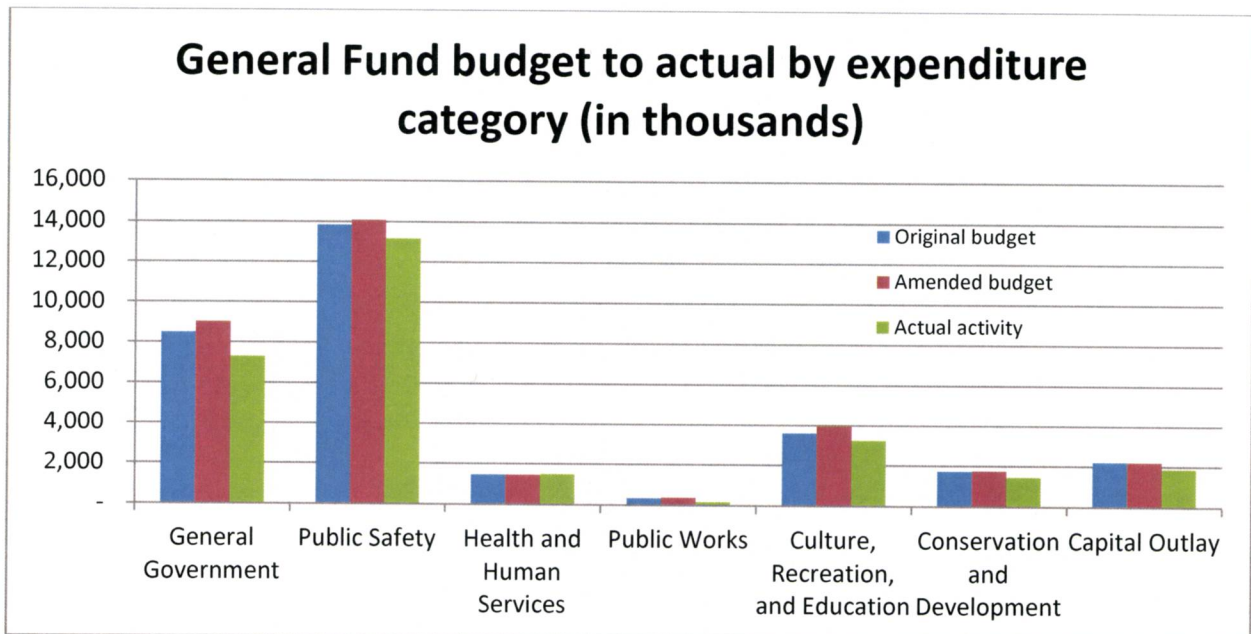
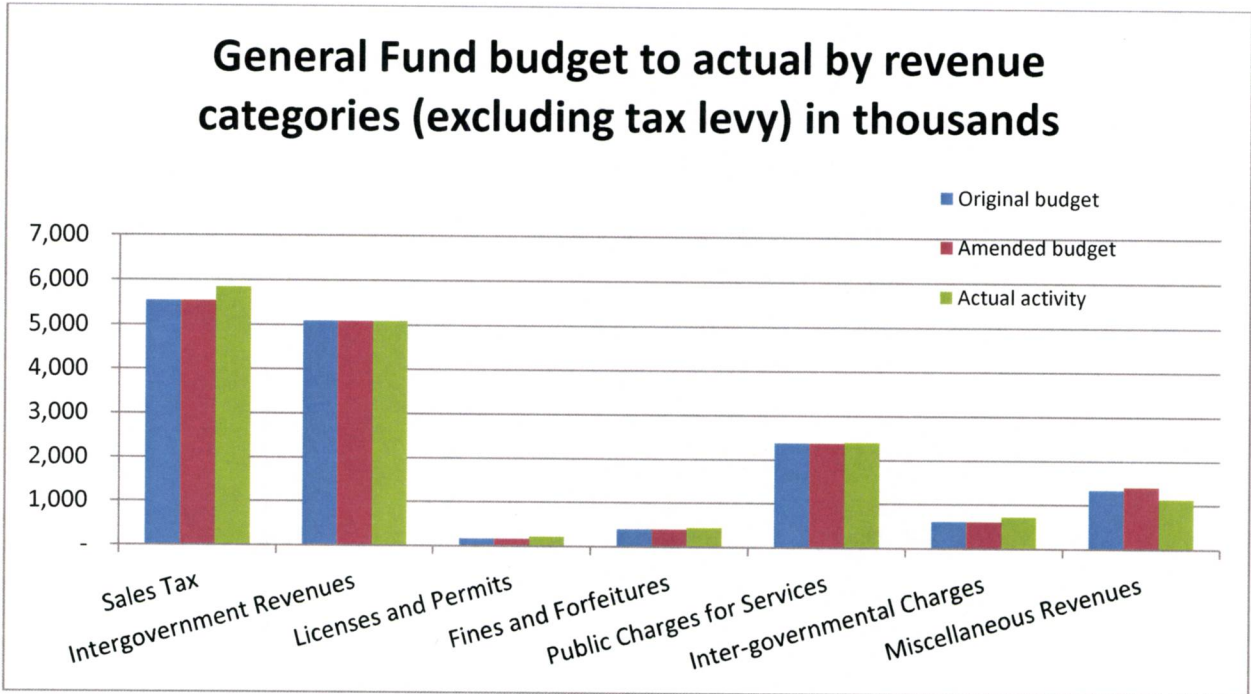
- Property taxes, were \$.31 million above budget, this variance was due to additional collection of delinquent property taxes with interest.
- Sales taxes, were \$.31 million above budget, this variance was due additional sales tax revenue than original estimates.
- Intergovernmental charges were \$109 thousand above budget amounts. One of the main reasons for the revenues over budget was at the Sheriff Department and the charges to the state for holding state prisoners.
- Miscellaneous Revenues were \$.28 million below budget amounts. The fair market value on investments was \$89 thousand below anticipated revenue. Sale of foreclosed properties was approximately \$35 thousand below budget.

Within expenditures in total, actual expenditures were \$4.2 million below budgeted amounts. Of this amount approximately \$2.7 million of this amount is due to restricted and committed funds that will be carried into the 2016 budget. Some of the larger areas contributing to this were:

- General Government expenditures were \$1.7 million below budgeted amounts. This is due to a variety of reasons such as projects that were not completed throughout the year and positions within certain departments that were not filled or were vacated for an extended time.
- Public Safety expenditures were \$.9 million below budgeted amounts.
- Culture, Recreation and Education expenditures were \$.71 million below budgeted amounts.

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The graphs on the subsequent page depict actual revenues and expenditures compared to the original and amended budgets.



Capital assets and Debt Administration

Capital Assets – The County's investment in capital assets for its governmental and business type activities as of December 31, 2015 was \$104.6 million, net of accumulated depreciation and related debt. The County issued \$17.385 million of general obligation bonds for the construction of new highway facilities and the demolition of the old highway facility, however

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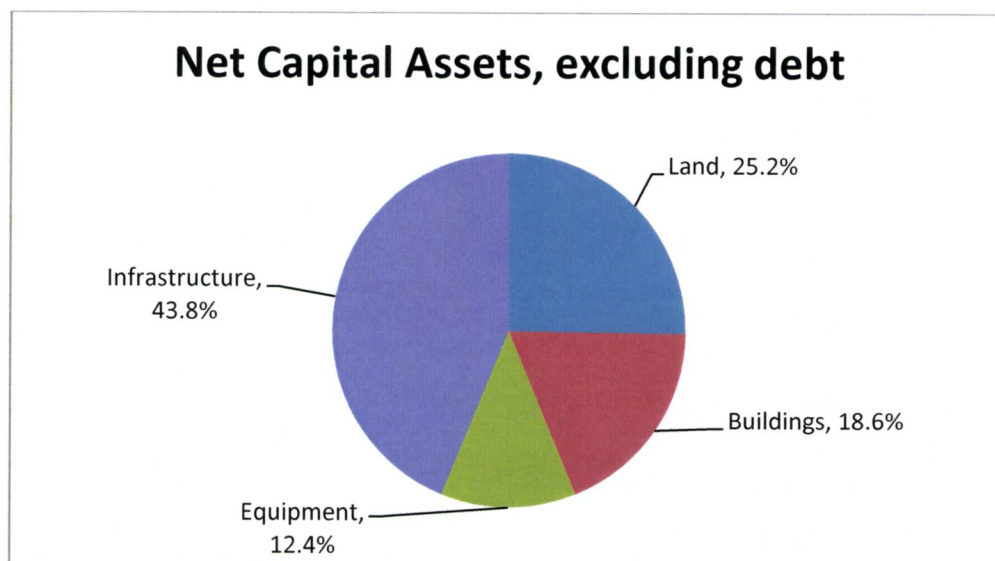
\$1.8 million of the proceeds were unspent at the end of the year and remain in fund balance to be used in 2016 for the satellite shops and demolition. The increase over the prior year was \$4.4 million or 4.2%.

Some areas that experienced the largest increases was building with the new highway shop with an increase of \$13 million, land for the new highway shop of \$.9 million and new equipment of \$2.6 million of which was partially for the new highway shop, however that is reduced by debt of approximately \$15 million. Construction in progress for the new highway shop was reduced by \$13 million and moved to capital assets. There was an increase for land of flood mitigation properties of \$.56 million. Infrastructure increased by \$5.6 million, however construction in progress for infrastructure reduced by \$2.8 million.

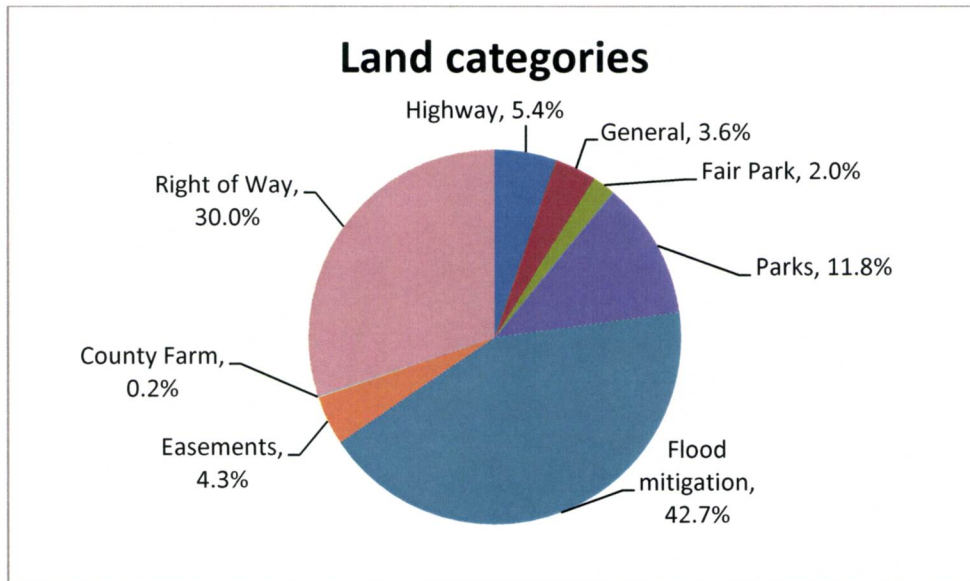
The County's infrastructure assets are recorded at historical cost in the government-wide financial statements. Further details of the County's capital assets can be found in the notes to the financial statements on pages 55-56. In addition, the charts below provide a graphical breakdown.

Capital Assets (Net of Depreciation)

(in thousands)	<u>Gov't Activities</u>		<u>Bus-Type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Land	\$ 28,501	\$ 26,908	\$ 1,617	\$ 703	\$ 30,118	\$ 27,611
Buildings	8,542	8,773	13,721	575	22,263	9,348
Machinery and Equipment	5,292	5,164	9,494	7,451	14,786	12,615
Infrastructure	50,741	45,379	-	-	50,741	45,379
Construction in Progress	1,681	3,769	-	13,082	1,681	16,851
Total	<u>\$ 94,757</u>	<u>\$ 89,993</u>	<u>\$ 24,832</u>	<u>\$ 21,811</u>	<u>\$ 119,589</u>	<u>\$ 111,804</u>



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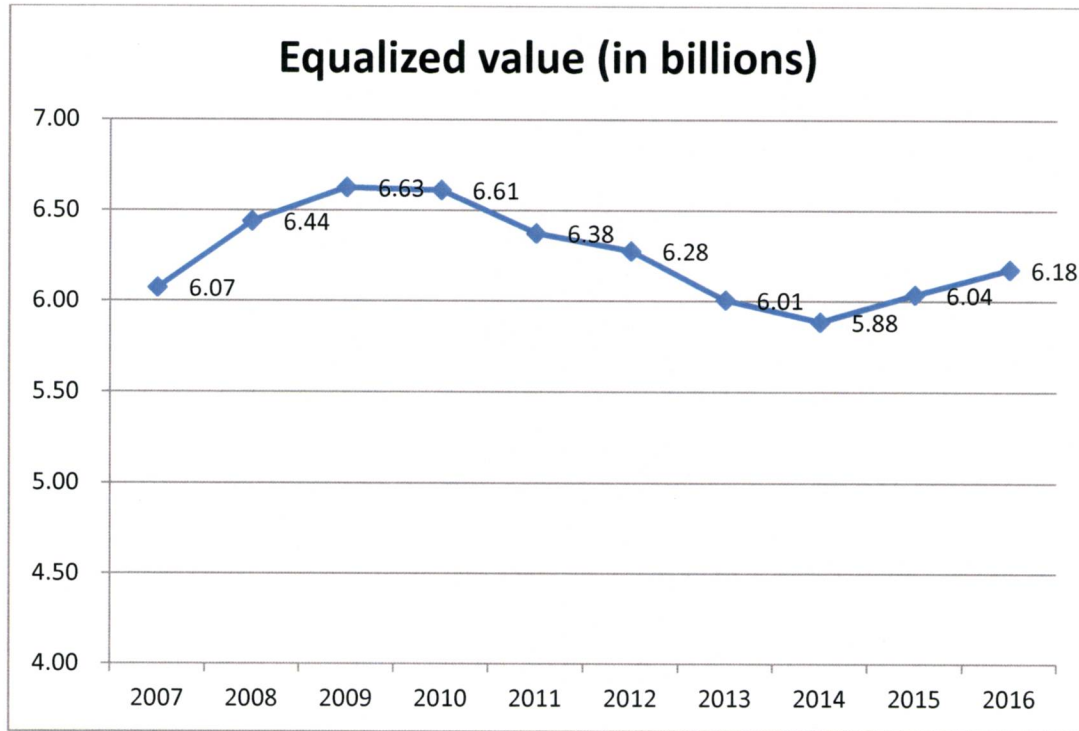


Long-term debt -- At the end of the current fiscal year, the County had total general obligation debt outstanding of \$16.40 million. The County under the new standardized rating system from Moody's Investor Service for its general obligation debt is an Aa2, which is the third highest rating possible. The County currently has no plans for any more borrowing. Further details of the County's long-term debt activity can be found in the notes to the financial statements on pages 58-59.

Economic Factors and Next year's Budget and Rates

Located between the two largest population centers in the State of Wisconsin (i.e. Milwaukee and Madison), the County has averaged annual decrease in growth of 0.60% over the last five years. The growth has been negative from 2010-2014, in 2015 showed a positive growth of 2.58% and 2.33% in 2016.

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The County has approved a new Highway Facility and has issued debt of \$3.505 million in 2013 and in 2014 another \$9.995 million for a total of \$13.5 million. On May 12, 2015 the County issued \$3.885 of debt in 2015. This should be the last issuance of debt that is needed for construction of the Highway Department main shop and two satellite shops. Current Wisconsin Statutes allows the levy to be raised by the new debt amount.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in them, comply with finance-related laws, and demonstrate the County's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jefferson County Finance Department, 311 S. Center Avenue, Jefferson, WI 53549.

JEFFERSON COUNTY, WISCONSIN
Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 1,636,377	\$ 4,217,018	\$ 5,853,395
Investments	28,106,593	-	28,106,593
Receivables, net			
Taxes	28,180,469	5,808,537	33,989,006
Accounts	4,763,784	1,354,377	6,118,161
Inventories	293,953	1,600,450	1,894,403
Prepaid Items	1,286,685	72,591	1,359,276
Deposits Held by Mutual Insurance Company	783,000	-	783,000
Restricted Cash and Cash equivalents	1,404,183	-	1,404,183
Restricted Net Pension Asset	4,477,730	442,852	4,920,582
Capital Assets, Not Being Depreciated	30,182,602	990,221	31,172,823
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	64,574,542	23,842,032	88,416,574
Total Assets	<u>165,689,918</u>	<u>38,328,078</u>	<u>204,017,996</u>
Deferred Outflows of Resources			
Deferred Amount Related to Pension	4,624,251	492,800	5,117,051
Total Assets and Deferred Outflows of Resources	<u>170,314,169</u>	<u>38,820,878</u>	<u>209,135,047</u>
Liabilities			
Accounts Payable	4,477,884	274,783	4,752,667
Delinquent Special Assessments			
Due to Other Governments	89,564	-	89,564
Accrued Payroll and Related Liabilities	2,364,528	274,572	2,639,100
Accrued Interest Payable	91,199	-	91,199
Unearned Revenues	3,894	-	3,894
Liabilities Payable from Restricted Assets	835,817	-	835,817
Long Term Liabilities			
Accrued Compensated Absences			
Current Portion	3,269,340	491,450	3,760,790
Noncurrent Portion	714,182	68,868	783,050
General Obligation Debt			
Current Portion	768,519	-	768,519
Noncurrent Portion	16,077,938	-	16,077,938
Total Liabilities	<u>28,692,865</u>	<u>1,109,673</u>	<u>29,802,538</u>
Deferred Inflows of Resources			
Subsequent year tax levy	22,812,427	5,808,537	28,620,964
Total Liabilities and Deferred Inflows of Resources	<u>51,505,292</u>	<u>6,918,210</u>	<u>58,423,502</u>
Net Position			
Net Investment in Capital Assets	94,757,144	24,832,253	104,604,987
Restricted			
Economic Development	230,791	-	230,791
Economic Development-Revolving Loan Fund	707,641	-	707,641
Register of Deeds-Fees	139,972	-	139,972
County Clerk-ICC	520	-	520
Land Information-Fees	96,011	-	96,011
Parks-Donated Funds	115,238	-	115,238
Public Safety	392,645	-	392,645
UW Extension Programs	49	-	49
Fair Park-Donated Funds	26,577	-	26,577
Zoning-Landfill	244,722	-	244,722
Health and Human Services	896,998	-	896,998
Debt Service	75,384	-	75,384
Pension Benefits	9,120,750	916,883	10,037,633
Road Improvement Projects-Municipalities	-	121,576	121,576
Unrestricted	12,004,435	6,031,956	33,020,801
Total Net Position	<u>\$ 118,808,877</u>	<u>\$ 31,902,668</u>	<u>\$ 150,711,545</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Activities
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Totals
Primary Government							
Governmental Activities							
General Government	\$ 7,217,855	\$ 1,326,017	\$ 591,913	\$ -	\$ (5,299,925)	\$ -	\$ (5,299,925)
Public Safety	13,633,535	1,213,987	306,458	517,482	(11,595,608)	-	(11,595,608)
Public Works	3,380,318	101,141	48,323	-	(3,230,854)	-	(3,230,854)
Health and Human Services	24,013,473	6,180,924	8,933,736	-	(8,898,813)	-	(8,898,813)
Culture, Recreation, and Education	3,622,571	1,195,657	132,978	30,721	(2,263,215)	-	(2,263,215)
Conservation and Development	1,367,183	319,575	301,733	-	(745,875)	-	(745,875)
Interest on Debt	391,006	-	-	-	(391,006)	-	(391,006)
Total Governmental Activities	<u>53,625,941</u>	<u>10,337,301</u>	<u>10,315,141</u>	<u>548,203</u>	<u>(32,425,296)</u>	<u>-</u>	<u>(32,425,296)</u>
Business-type Activities							
Highway	6,205,070	3,048,127	1,628,945	628,378	-	(899,620)	(899,620)
Total Primary Government	<u>\$ 59,831,011</u>	<u>\$ 13,385,428</u>	<u>\$ 11,944,085</u>	<u>\$ 1,176,580</u>			
General Revenues							
Property Taxes, Levied for General Purposes					21,911,746	5,743,609	27,655,355
Property Taxes, Levied for Debt Service					1,180,096	-	1,180,096
Sales tax					5,847,632	-	5,847,632
Other Taxes					251,479	-	251,479
State Aids Not Restricted to Specific Functions					2,159,448	-	2,159,448
Investment Earnings					367,539	-	367,539
Gain on Sale of Capital Assets					-	263,479	263,479
Total General Revenues					<u>31,717,940</u>	<u>6,007,088</u>	<u>37,725,028</u>
Transfers In							
Transfers Out					5,822,444	3,246,021	9,068,465
					(3,246,021)	(5,822,444)	(9,068,465)
Change in Net Position					1,869,067	2,531,045	4,400,112
Net Position							
Beginning of Year, as Restated					116,939,810	29,371,623	146,311,433
End of Year					<u>\$ 118,808,877</u>	<u>\$ 31,902,668</u>	<u>\$ 150,711,545</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Balance Sheet
Governmental Funds
December 31, 2015

	General	Special Revenue Fund Human Services	Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and Cash Equivalents	\$ -	\$ 169,494	\$ 597,614	\$ 869,269	\$ 1,636,377
Investments	28,106,593	-	-	-	28,106,593
Property Taxes Receivables					
Current Year Tax Levy	13,605,925	8,331,173	-	1,976,491	23,913,589
Delinquent Property Taxes	4,266,880	-	-	-	4,266,880
Accounts Receivable					
Due from Other Government Units	1,699,272	698,237	-	27,432	2,424,941
General Accounts Receivable	1,669,464	662,539	-	6,840	2,338,843
Due from Other Funds	-	-	1,250,432	-	1,250,432
Inventories	293,953	-	-	-	293,953
Prepaid Expenditures	1,020,993	247,487	-	18,205	1,286,685
Deposit Held by Mutual Insurance Company	783,000	-	-	-	783,000
Restricted Cash and Cash Equivalents	1,099,877	304,306	-	-	1,404,183
Total Assets	\$ 52,545,957	\$ 10,413,236	\$ 1,848,046	\$ 2,898,237	\$ 67,705,476
Liabilities					
Accounts Payable	\$ 4,280,969	\$ 1,030,541	\$ -	\$ -	\$ 5,311,510
Delinquent Special Assessments Due to Other Governments	89,564	-	-	-	89,564
Accrued Liabilities	2,295,615	57,224	-	13,880	2,366,719
Due to Other Funds	1,250,432	-	-	-	1,250,432
Unearned Revenues	1,854	2,040	-	-	3,894
Total Liabilities	7,918,434	1,089,805	-	13,880	9,022,119
Deferred Inflows of Resources					
Subsequent Year Tax Levy	12,504,763	8,331,173	-	1,976,491	22,812,427
Delinquent Taxes	1,615,088	-	-	-	1,615,088
Grant Funds	74,737	-	-	-	74,737
Delinquent Fees	411,671	-	-	-	411,671
Total Deferred Inflows of Resources	14,606,259	8,331,173	-	1,976,491	24,913,923
Fund Balances					
Nonspendable	4,660,175	247,487	-	18,205	4,925,867
Restricted					
Economic Development	230,791	-	-	-	230,791
Economic Development-Revolving Loan Fund	707,641	-	-	-	707,641
Register of Deeds-statute	139,972	-	-	-	139,972
County Clerk-ICC Funds	520	-	-	-	520
Land Information-statute	96,011	-	-	-	96,011
Parks improvements	115,238	-	-	-	115,238
Public Safety programs	392,645	-	-	-	392,645
UW Extension educational activities	49	-	-	-	49
Fair Park-donations	26,577	-	-	-	26,577
Zoning	244,722	-	-	-	244,722
Health and Human Services Programs	-	64,516	-	814,277	878,793
Debt Service Fund	-	-	-	75,384	75,384
Capital Projects Fund	-	-	1,848,046	-	1,848,046
Committed	197,593	-	-	-	197,593
Assigned	5,581,140	680,255	-	-	6,261,395
Unassigned	17,628,190	-	-	-	17,628,190
Total Fund Balances	30,021,264	992,258	1,848,046	907,866	33,769,434
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,545,957	\$ 10,413,236	\$ 1,848,046	\$ 2,898,237	

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore not reported in the funds.	94,757,144
Long term debt is not due and payable in the current period and therefore is not reported in the funds.	(16,404,000)
Bond issue premium is to be amortized over the life of the bond and therefore not reported in the funds.	(442,457)
Accrued interest is not due and payable in the current period and therefore is not reported in the funds.	(91,199)
Other long-term assets that are not available to pay current period expenditures and are therefore deferred in the funds.	2,101,496
Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(3,983,522)
Deferred amount related to pension	4,624,251
Pension assets that are not financial resources and therefore not reported in the funds	4,477,730

Total Net Position as per Statement of Net Position

\$ 118,808,877

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General	Special Revenue Fund Human Services	Capital Projects	Nonmajor Governmental Funds	Total
Revenues					
Property Taxes	\$ 13,397,539	\$ 8,350,391	\$ -	\$ 2,055,319	\$ 23,803,249
Sales Taxes	5,847,633	-	-	-	5,847,633
Intergovernmental Revenues	5,090,643	7,249,131	-	478,584	12,818,358
Licenses and Permits	213,283	-	-	-	213,283
Fines and Forfeitures	437,789	-	-	-	437,789
Public Charges for Services	2,400,247	4,477,201	-	297,910	7,175,358
Intergovernmental Charges	716,470	1,365,277	-	27,168	2,108,915
Miscellaneous Revenues	1,133,933	80,109	3,001	1,114	1,218,157
Total Revenues	29,237,537	21,522,109	3,001	2,860,095	53,622,742
Expenditures					
General Government	8,201,569	-	-	-	8,201,569
Public Safety	13,178,347	-	-	-	13,178,347
Health and Human Services	1,497,075	20,649,856	-	1,718,036	23,864,967
Public Works	169,590	-	51,658	-	221,248
Culture, Recreation, and Education	3,259,352	-	-	-	3,259,352
Conservation and Development	1,457,671	-	-	-	1,457,671
Capital Outlay	978,444	339,272	4,145,921	20,300	5,483,937
Debt Service					
Principal	-	-	-	995,000	995,000
Interest and fiscal charges	-	-	79,996	415,400	495,396
Total Expenditures	28,742,048	20,989,128	4,277,575	3,148,736	57,157,487
Revenues Over (Under) Expenditures	495,489	532,981	(4,274,574)	(288,641)	(3,534,745)
Other Financing Sources (Uses)					
Proceeds from Notes Payable	14,000	-	-	-	14,000
General Obligation Debt Issued	-	-	3,766,902	118,098	3,885,000
Premium on Debt Issued	-	-	153,533	-	153,533
Transfer In	216,556	-	-	-	216,556
Transfer Out	-	(216,556)	-	-	(216,556)
Total Other Financing Sources (Uses)	230,556	(216,556)	3,920,435	118,098	4,052,533
Change in Fund Balances	726,045	316,425	(354,139)	(170,543)	517,788
Fund Balances, Beginning of Year	29,295,219	675,833	2,202,185	1,078,409	33,251,646
Fund Balances, End of Year	\$ 30,021,264	\$ 992,258	\$ 1,848,046	\$ 907,866	\$ 33,769,434

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015

Net Changes in Fund Balances - Total Governmental Funds	\$ 517,788
<p>Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and report as depreciation expense.</p>	
Capital outlay reported in governmental statements	\$ 3,182,816
Infrastructure transferred from the Highway Department	<u>5,822,444</u>
Total capital outlay and infrastructure	9,005,260
Depreciation expense reported in the statement of activities	(3,739,382)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(433,833)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position.</p>	
Proceeds of long term debt issued	(3,885,000)
Promissory note issued	(14,000)
<p>The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets.</p>	
Long-term debt principal retirement	995,000
<p>Governmental funds report debt premiums or discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or adjustments to long-term debt. They are amortized over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>	
Premium on debt issued	(153,533)
Amortization of premium	20,448
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid, but in the statement of activities interest is reported as it accrues.	3,945
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.	54,512
<p>In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as other financing sources. In the statement of activities, only the gain or loss on the disposal is reported.</p>	
Loss on disposal reported on the statement of activities	<u>(502,138)</u>
Change in Net Position for Governmental Activities	<u><u>\$ 1,869,067</u></u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Net Position
Proprietary Funds
December 31, 2015

	<u>Highway</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 4,217,018
Property Taxes Receivable-Current Year Tax Levy	5,808,537
Accounts Receivable	
Due from Other Government Units	1,343,459
General Accounts Receivable	10,918
Inventories	1,600,450
Prepaid Items	72,591
Total Current Assets	<u>13,052,973</u>
Noncurrent Assets	
Restricted Net Pension Asset	442,852
Capital Assets	
Land	1,617,151
Buildings and Improvements	15,861,452
Machinery and Equipment	16,240,979
Less Accumulated Depreciation	<u>(8,887,329)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>24,832,253</u>
Total Noncurrent Assets	<u>25,275,105</u>
Total Assets	<u>38,328,078</u>
Deferred Outflows	
Deferred Amount Related to Pension	<u>492,800</u>
Total Assets and Deferred Outflows	<u>38,820,878</u>
Liabilities	
Current Liabilities	
Accounts Payable	274,783
Accrued Liabilities	274,572
Accrued Compensated Absenses, Current Portion	<u>491,450</u>
Total Current Liabilities	<u>1,040,805</u>
Noncurrent Liabilities	
Accrued Compensated Absenses, Noncurrent Portion	<u>68,868</u>
Total Liabilities	<u>1,109,673</u>
Deferred Inflows	
Subsequent Year Tax Levy	<u>5,808,537</u>
Total Liabilities and Deferred Inflows	<u>6,918,210</u>
Net Position	
Investment in Capital Assets	24,832,253
Restricted for Municipal Road Aid Projects	121,576
Restricted for Pension Benefits	916,883
Unrestricted	<u>6,031,956</u>
Total Net Position	<u>\$ 31,902,668</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	<u>Highway</u>
Operating Revenues	
Charges for Services	\$ 3,417,871
Miscellaneous Revenues	<u>122,513</u>
Total Operating Revenues	<u>3,540,384</u>
Operating Expenses	
Operation and Maintenance	10,653,442
Depreciation	<u>1,374,072</u>
Total Operating Expenses	<u>12,027,514</u>
Operating Loss	<u>(8,487,130)</u>
Nonoperating Revenues	
Property Taxes	5,743,609
Intergovernmental Revenue	1,628,946
Gain on Disposal of Assets	<u>263,479</u>
Total Nonoperating Revenues	<u>7,636,034</u>
Loss Before Contributions	(851,096)
Capital Contributions	<u>3,382,141</u>
Change in Net Position	2,531,045
Net Position, Beginning of Year, as Restated	<u>29,371,623</u>
Net Position, End of Year	<u><u>\$ 31,902,668</u></u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	<u>Highway</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,569,497
Payments to Suppliers	(6,717,815)
Payments to Employees	(4,254,003)
Net Cash from Operating Activities	<u>(8,402,321)</u>
 Cash Flows from Noncapital Financing Activities	
General Property Taxes	5,743,609
Intergovernmental Revenue	1,628,946
Net Cash from Noncapital Financing Activities	<u>7,372,555</u>
 Cash Flows from Capital and Related Financing Activities	
Acquisition and Construction of Capital Assets	<u>(749,299)</u>
Net Cash from Capital and Related Financing Activities	<u>(749,299)</u>
 Cash and Cash Equivalents - Beginning of Year	<u>5,996,083</u>
 Cash and Cash Equivalents - End of Year	<u><u>\$ 4,217,018</u></u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

Reconciliation of Operating Loss to Net Cash

From Operating Activities

Operating Loss	\$ (8,487,130)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation expense	1,374,072
Change in Assets and Liabilities	
Accounts Receivable	(970,888)
Inventories	(378,326)
Prepaid Items	(1,625)
Deferred Amount Related to Pension	(18,770)
Accounts Payable	60,775
Accrued Payroll	39,845
Other Compensated Absences	(20,274)
Net Cash from Operating Activities	<u>\$ (8,402,321)</u>

Noncash Transactions

Capital Assets Transferred from Capital Projects Fund	\$ 3,246,021
Capital Assets Contributed from the State	136,120
Capital Additions for Equipment Received in Exchange for Equipment Traded-in	\$ 2,183,281
Net Book Value of Disposal of Capital Assets for Equipment Traded-in	(1,919,802)
Gain on Assets for Equipment Traded-in	<u>\$ 263,479</u>

The accompanying notes are an integral part of the financial statements.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies utilized by Jefferson County, Wisconsin (Jefferson County or County).

In June 2012, the GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pension – an Amendment of GASB statement No. 27*. In November 2013, the GASB issued Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*. These statements establish accounting and financial reporting standards related to reporting for pension plans.

Jefferson County implemented these standards effective January 1, 2015.

A. Reporting entity

Jefferson County is a municipal corporation under the laws of the State of Wisconsin and is governed by an elected thirty member Board of Supervisors. This report includes all of the funds of Jefferson County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

This report does not contain any component units.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 120 days (exception to this is property taxes, which are 60 days) of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements (continued)

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled to the resources and the amounts are available. Amounts owed to the County, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as deferred inflows of resources.

Revenues susceptible to accrual include general intergovernmental assistance, intergovernmental contracts/grants, interdepartmental revenues, property taxes, miscellaneous taxes, charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measureable and available under criteria described above.

The County reports deferred inflows and unearned revenues on the governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year that are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period. Unearned revenues arise from exchange transactions when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred inflow of resources is removed from the balance sheet and revenue is recognized.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described for the business-type activities previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and fund financial statements (continued)

Funds are organized as major funds or nonmajor funds within the governmental and enterprise statements. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type.
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise funds that the County believes are particularly important to financial statement users may be reported as a major fund.

C. Measurement focus, basis of accounting and financial statement presentation

The government reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Human Services Fund – The fund accounts for the programs operated by the County's Human Services Department. Financing is provided by federal and state grants and property taxes.

Capital Projects Fund – The fund accounts for major construction projects by the County. This fund was used for the construction of the new highway facility.

The government reports the following major enterprise fund:

Highway Fund – The fund accounts for road and bridge maintenance and construction that are provided on a cost reimbursement basis.

In addition, the County reports the following nonmajor governmental funds:

Health Services Fund
Debt Service Fund

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity

1. Cash, cash equivalents, and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County invests in accordance with the County's investment policy and Wisconsin State Statutes Section 66.0603. Under state statute, investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association authorized to transact business in the state;
- Bonds or securities of any county, city, drainage district, vocational education district, village, town, or school district of the state;
- Bonds or securities issued or guaranteed by the federal government;
- Any security which matures within not more than 7 years, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service, or similar rating agency;
- Securities of an open-end management investment company or investment trust, if the company or trust does not charge a sales load, is registered under the investment company act of 1940, and if the portfolio is limited to bonds and securities issued by the federal government, bonds that are guaranteed as to principal and interest by the federal government, or repurchase agreements that are fully collateralized by bonds or securities of the federal government;
- The state local government investment pool.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

2. Receivables and payables (continued)

Wisconsin cities, villages, and towns are charged with the responsibility of assessing taxable property, collecting taxes and making distribution to the state, county, school districts, and other taxing jurisdictions. Property of manufacturing establishments and utilities is assessed by the State Department of Revenue. All assessments are made as of January 1. Taxes on real estate and personal property are levied in December of each year by each municipality within the County for each taxing jurisdiction in amounts that, when collected in the ensuing year, are sufficient to cover net operating expenses, debt service, and other expenditures of the said taxing jurisdiction.

In all taxation districts, real property taxes must either be paid in full by January 31 to the taxation district treasurer, or paid in two or more installments with the first installment paid by January 31 and the balance due by July 31. Amounts paid after January 31 are paid to the County Treasurer. During February, all tax rolls are turned over to the County Treasurer who then continues to collect all delinquent and postponed taxes. Personal property taxes, special assessments, special charges and special taxes must be paid in full by January 31.

During January and February, the taxation district treasurer settles with other taxing jurisdictions for all collections through the preceding month. During August, the County Treasurer must settle in full with the underlying taxing jurisdictions for all real estate and special taxes (except special assessments). The County may then recover any tax delinquencies by enforcing the lien on the property (which commences on September 1) and retain any penalties or interest on the delinquencies for which it has settled.

Collection of delinquent personal property taxes is the duty of the local taxation district treasurer. However, if they remain uncollected after one year, each taxing jurisdiction may be billed their proportionate amount.

3. Inventories

Inventories are recorded at cost, which approximates market, using the first-in, first-out method for Governmental activities and weighted average method for Business-type activities. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

Inventories of governmental funds in the fund financial statements are offset by nonspendable balances in the respective funds to indicate that they do not represent spendable available financial resources.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

4. Prepaid items

Certain payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable balances in the respective funds to indicate that they do not represent spendable available financial resources.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the statement of net position for the governmental activities in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and an initial cost of more than \$5,000 for all funds. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The County participated in a flood mitigation program in which purchased property is held for flood mitigation purposes.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-50
Road surfaces	25
Bridges	50
Equipment	3-15

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

6. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to certain limits. All vacation and sick pay is accrued when incurred in the government-wide financial statements. Sick pay is accrued as a liability on the government-wide financial statements as the benefits are earned by the employee but only to the extent it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

7. Deferred inflows of resources and unearned revenues

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenues are recorded for resources that have been received, but not yet earned.

8. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Self-funded insurance

The County is self-insured for its dental and worker's compensation claims. The claim costs are accounted for in the General Fund. The County calculates the contribution per employee for dental and worker's compensation insurance, which is used to charge other funds. An estimated liability for dental, general liability, and worker's compensation insurance claim incurred but not reported has been accrued in the General, Human Services, Health Services and Highway Funds.

10. Long-term obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds on a straight-line method basis, which approximates the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

10. Long-term obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund equity

Government-wide statements:

Equity is classified as net position government-wide and proprietary fund statements and displayed in three components:

- a. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or deferred inflows or if the liability will be liquidated with the restricted assets reported.
- c. The *unrestricted* component of net position is the amount of the assets and deferred outflows, net of the liabilities and deferred inflows that are not included in the determination of net investment in capital assets or the restricted components of net position.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

11. Fund equity (continued)

Fund statements:

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, the County classifies governmental fund balances as follows:

- a. Nonspendable - includes fund balance amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted - includes fund balance amounts when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - includes fund balance amounts that can only be used for specific purposes pursuant to constraints imposed by a resolution of the County Board. Committed amounts cannot be used for any other purpose unless the County Board removes or changes the specified use by taking the same type of action it employed to previously commit those funds.
- d. Assigned - includes fund balance amounts that are considered by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Fund balances may be assigned through the following: (1) The County Board has adopted a financial policy authorizing administration and committees of the County Board to assign amount for a specific purpose and (2) All remaining positive spendable amounts in the governmental funds, other than the general fund, that are neither restricted nor committed. The fund balance policy includes vested benefits to be fully funded through assigned fund balance. Also included in assigned fund balance, with approval through the County Board, is the remaining balance of the Health Service Fund.
- e. Unassigned - includes the residual general fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. It also includes deficit fund balance amounts in other governmental funds.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, liabilities, and net position or equity (continued)

11. Fund equity (continued)

The County considered restricted amounts to be spent first when restricted, committed, assigned, and unassigned fund balances are available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the County will first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balances when expenditures are made.

The County has adopted a policy to maintain a minimum of two months, with a goal of three months, of budgeted General and Health Department fund expenditures in its respective fund balances. The General Department is included in the unassigned fund balance and the Health Department is included in restricted fund balance.

The County's total column for net position has been adjusted for the 2013A and the 2014A General Obligation County Building Bonds recorded as governmental debt, but used to construct business-type activity capital assets. Neither the governmental or business-type activities net investment in capital assets have been reduced by those bonds, but the total column does reflect that reduction to properly reflect the bonds effect on total net position.

E. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS

A. Cash, cash equivalents, and investments

The County maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed in the financial statements as "Cash and Cash Equivalents" and "Investments."

The carrying amount of the County's cash, cash equivalents, and investments consist of the following:

Demand Deposits	\$ 1,499,990
Petty Cash	4,700
Mutual Funds	145,176
Certificates of Deposit	255,000
Local Government Investment Pool (LGIP)	5,352,712
US Treasury Notes	3,265,160
Federal Home Loan Bank	3,593,674
Federal Home Loan Mortgage	5,635,189
Federal Farm Credit Bank	2,894,534
Federal National Mortgage Association Bonds	4,626,569
Small Business Administration Bonds	987,585
Corporate Bonds	7,103,882
Total Cash, Cash Equivalents, and Investments	<u>\$ 35,364,171</u>

Cash and investments are presented in the statement of net position as follows:

Cash and Cash Equivalents	\$ 5,853,395
Investments	28,106,593
Restricted Cash	<u>1,404,183</u>
Total cash, cash equivalents, and investments	<u>\$ 35,364,171</u>

Deposits and investments of the County are subject to various risks. Presented below is a discussion of the specific risks and the County's policy related to the risk.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents, and investments (continued)

1. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. It is the policy of the County that for all portfolios with outside investment advisors, the County will use an independent third-party custodian.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposits and \$250,000 for time and savings deposits.

Any losses caused by failure of public depositories are also covered by the State Deposit Guarantee Fund. The fund provides coverage of \$400,000 in each financial institution above the applicable insurance coverage provided by the FDIC. However, although the fund had reserves available at December 31, 2015, the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 25 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted, at which time the fund is abolished. This coverage has not been considered in computing custodial credit risk.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2015, the fair value of the County's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

As of December 31, 2015, \$1,664,483 of the County's deposits of \$2,166,285 with financial institutions was in excess of federal depository insurance limits and uncollateralized. The County's policy does not require collateral for any deposit that exceeds the amounts guaranteed by the State and the FDIC.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents, and investments (continued)

2. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The County's investment policy limits the County to investments of the following type:

- US Government securities
- US Government backed securities
- US Government Agencies that are implicitly backed by the US Government
- Wisconsin Local Government Investment Pool
- Commercial paper with companies rated AAA
- Corporate Bonds

In the event a corporate security subsequently drops below the rating, the County shall not purchase any additional securities issued by that corporation until such time as their rating returns to the required rating.

Below is a listing of the County investment balances subject to credit risk and the corresponding rating at the end of the year by Standard and Poor's:

<u>Investment Type</u>	<u>Amount</u>	<u>US Govt Guaranteed</u>	<u>AA+</u>	<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>Not Rated</u>
US Treasury Notes	\$ 3,265,160	\$ 3,265,160	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	16,749,966	-	16,749,966	-	-	-	-
Corporate Bonds	7,103,882	-	1,592,374	2,765,291	2,448,273	297,944	-
Small Business Administration Bonds	987,585	987,585	-	-	-	-	-
Total	\$28,106,593	\$ 4,252,745	\$ 18,342,340	\$2,765,291	\$2,448,273	\$ 297,944	\$ -

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash, cash equivalents, and investments (continued)

3. Concentration of Credit Risk

Concentration of credit risk refers to risk of loss attributed to the County investment in a single issuer. The County's investment policy related to concentration of credit risk is that the County Investment Officer shall diversify the investment portfolio within the allowed securities as needed with investment return, liquidity, and immediate cash flow needs kept in mind. The only limit related to concentration of securities with a single issuer shall be that no more than five percent (5%) of the investment portfolio shall be in commercial paper.

As of December 31, 2015, the issuer concentration is listed below.

<u>Issuer</u>	<u>Percent of Total Investments</u>
Federal Home Loan Bank Notes	10.7%
Federal National Mortgage Association Bonds	13.8%
Federal Home Loan Mortgage	16.8%
Federal Farm Credit Bank	8.6%

4. Interest Rate Risk

Interest rate risk is the risk that, changes in interest rates will adversely affect the fair value of an investment. The County's investment policy related to interest rate risk is that the County shall be subject to restrictions as imposed by law (Section 66.0603(1m) of Wisconsin State Statutes). As of December 31, 2015, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>10 or More</u>
Money Market Funds	\$ 145,176	\$ 145,176	\$ -	\$ -	\$ -
Local Government Investment Pool	5,352,712	5,352,712	-	-	-
US Treasury Notes	3,265,160	-	3,265,160	-	-
Federal Agency Securities	16,749,966	1,225,972	8,306,922	2,590,503	4,626,569
Corporate Bonds	7,103,882	600,419	5,390,883	1,112,580	-
Small Business Administration Bonds	987,585	-	-	-	987,585
Total	\$33,604,481	\$ 7,324,279	\$ 16,962,965	\$3,703,083	\$5,614,154

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

B. Restricted assets

Restricted assets on December 31, 2015 consisted of cash, cash equivalents and investments held for the following purposes:

General Fund	
Park Land Purchase and Development	\$ 81,628
Park Endowment Fund (Carlin Weld)	5,000
Economic Development Revolving Loan Fund	486,739
Sheriff Restricted Purposes Checking Accounts	107,263
Clerk of Courts Certificate of Deposit	100,000
Clerk of Courts Checking	293,265
Clerk of Courts LGIP Investment	<u>25,982</u>
General Fund Total	1,099,877
Human Services	
Donation Accounts	2,362
Protective Payee Accounts	<u>301,944</u>
Human Services Total	304,306
Total	<u>\$ 1,404,183</u>

C. Property tax apportionments

Property taxes are apportioned annually in November to local taxing units within the County for financing state charges and the subsequent year's operations of the County. Since the November apportionment is for the subsequent year's budget, the County's apportionment is recorded as deferred inflows of resources at year end. Property tax payments from individual property owners are due in two installments by January 31 and July 31. During the month of February, each local taxing district settles with the County for both collected and unpaid property taxes. At the February settlement, the County becomes responsible for the collection of unpaid property taxes, including unpaid property taxes returned by local taxing districts for financing their individual operations. Property taxes subsequently not paid by property owners by September 1 of the same year are considered delinquent. The delinquent taxes are then acquired by the County's General Fund in accordance with state statutes in order to provide the County with statutory lien.

Property taxes recorded on December 31, 2015 for collection in 2016 are for the following:

State apportionment	\$ 1,101,162
County apportionment	<u>28,620,964</u>
Total	<u>\$ 29,722,126</u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

D. Delinquent property taxes - General Fund

Delinquent property taxes of the General Fund represent unpaid property taxes on real estate, including state and local government equities therein. Under state statutes, the County annually reimburses the state and local governments, school districts, and technical colleges within the County for their equities in property taxes not collected from the property owner. Unless redeemed by the property owner, the County will eventually obtain tax deed ownership of the properties comprising delinquent taxes. In the past, the County has generally been able to recover its investment in delinquent taxes by sale of the tax deeded properties.

On December 31, 2015, the County's General Fund reports \$3,210,871 in delinquent taxes as tax certificates as shown in the following aging.

<u>Year Acquired</u>	<u>Total</u>	<u>Special Assessments</u>	<u>Net</u>
Prior to 2009	\$ 113,275	\$ -	\$ 113,275
2009	160,461	-	160,461
2010	242,795	6,579	236,216
2011	350,041	29,150	320,891
2012	473,395	26,854	446,541
2013	737,857	-	737,857
2014	<u>1,195,630</u>	<u>-</u>	<u>1,195,630</u>
Total	<u>\$ 3,273,454</u>	<u>\$ 62,583</u>	<u>\$ 3,210,871</u>

In 2005, the County adopted a resolution that limits the County's requirement to settle with other taxing jurisdictions for unpaid special assessments using county funds. The County has resolved to settle in full for unpaid special assessments or special charges not to exceed a total of \$10,000 per tax parcel. Included in the above tax certificates is \$62,583 of delinquent special assessments that exceed the County's threshold of \$10,000 per tax parcel. There is \$26,981 of interest on delinquent special assessments also outstanding. These amounts will be remitted to the appropriate taxing jurisdictions only to the extent collected by the County.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

E. Receivables

Receivables as of year end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

Property Taxes Levied for Subsequent Year	\$ 29,722,126
Delinquent Property Taxes	3,273,454
Interest on Delinquent Property Taxes	993,426
Total Delinquent Taxes	<u>4,266,880</u>
Total Taxes	<u>33,989,006</u>
Due From Other Government	3,768,400
Accounts Receivable	<u>2,349,761</u>
Total Accounts Receivable	6,118,161
Net Total Receivables	<u><u>\$ 40,107,167</u></u>

F. Deferred inflows of resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental fund were as follows:

	<u>Unavailable</u>	<u>Tax Levy</u>	<u>Total</u>
Subsequent Year Property Tax Levy	\$ -	\$22,812,427	\$ 22,812,427
Delinquent Taxes	1,615,088	-	1,615,088
Grant Revenue	74,737	-	74,737
Delinquent Fees	<u>411,671</u>	<u>-</u>	<u>411,671</u>
Total	<u><u>\$ 2,101,496</u></u>	<u><u>\$22,812,427</u></u>	<u><u>\$ 24,913,923</u></u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

G. Capital assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital Assets not Being Depreciated				
Land	\$ 5,595,377	\$ 1,005,084	\$ -	\$ 6,600,461
Land - Right of Way	9,011,505	30,633	-	9,042,138
Land - Flood Mitigation	12,301,042	557,735	-	12,858,777
Construction in Progress	<u>3,769,777</u>	<u>1,304,270</u>	<u>3,392,821</u>	<u>1,681,226</u>
Total Capital Assets, not Being Depreciated	<u>30,677,701</u>	<u>2,897,722</u>	<u>3,392,821</u>	<u>30,182,602</u>
Capital Assets Being Depreciated				
Buildings and Improvements	29,159,809	380,006	-	29,539,815
Roads and Bridges	68,997,509	7,880,362	2,263,768	74,614,103
Equipment	<u>10,992,507</u>	<u>1,239,991</u>	<u>139,947</u>	<u>12,092,551</u>
Total Capital Assets Being Depreciated	<u>109,149,825</u>	<u>9,500,359</u>	<u>2,403,715</u>	<u>116,246,469</u>
Accumulated Depreciation				
Buildings and Improvements	20,386,474	611,055	-	20,997,529
Roads and Bridges	23,618,737	2,043,507	1,788,723	23,873,521
Equipment	<u>5,828,911</u>	<u>1,084,820</u>	<u>112,854</u>	<u>6,800,877</u>
Total Accumulated Depreciation	<u>49,834,122</u>	<u>3,739,382</u>	<u>1,901,577</u>	<u>51,671,927</u>
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>59,315,703</u>	<u>5,760,977</u>	<u>502,138</u>	<u>64,574,542</u>
Total Capital Assets, Net of Depreciation	<u>\$ 89,993,404</u>	<u>\$ 8,658,699</u>	<u>\$ 3,894,959</u>	<u>\$ 94,757,144</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

G. Capital assets (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business Activities				
Capital Assets not Being Depreciated				
Land-Highway	\$ 703,154	\$ 913,997	\$ -	\$ 1,617,151
Construction in Progress	13,082,279	4,145,921	17,228,200	-
Total Capital Assets not Being Depreciated	<u>13,785,433</u>	<u>5,059,918</u>	<u>17,228,200</u>	<u>1,617,151</u>
Capital Assets Being Depreciated				
Buildings and Improvements	2,725,493	13,416,500	280,541	15,861,452
Equipment	13,611,173	5,108,056	2,478,250	16,240,979
Total Capital Assets Being Depreciated	<u>16,336,666</u>	<u>18,524,556</u>	<u>2,758,791</u>	<u>32,102,431</u>
Accumulated Depreciation				
Buildings and Improvements	2,150,079	270,326	280,542	2,139,863
Equipment	6,160,615	1,103,746	516,895	6,747,466
Total Accumulated Depreciation	<u>8,310,694</u>	<u>1,374,072</u>	<u>797,437</u>	<u>8,887,329</u>
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>8,025,972</u>	<u>17,150,484</u>	<u>1,961,354</u>	<u>23,215,102</u>
Total Capital Assets, Net of Depreciation	<u>\$ 21,811,405</u>	<u>\$ 22,210,402</u>	<u>\$ 19,189,554</u>	<u>\$ 24,832,253</u>

Capital additions to the Highway Fund of \$3,246,021 were contributed from the Capital Projects Fund and \$136,120 was contributed from the State of Wisconsin.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 425,785
Public Safety	549,362
Public Works	2,047,075
Health and Human Services	339,094
Culture, Recreation and Education	367,992
Conservation and Development	<u>10,074</u>
Total Depreciation Expense	<u>\$ 3,739,382</u>
Business-Type Activities-Highway	<u>\$ 1,374,072</u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

H. Interfund activity

The details of interfund transfers for the year ended December 31, 2015 are shown below:

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose</u>
General Fund			
Human Services	\$ 216,556	\$ -	Surplus
Human Services	<u>-</u>	<u>216,556</u>	Surplus
	<u><u>\$ 216,556</u></u>	<u><u>\$ 216,556</u></u>	

During the year, infrastructure assets related to governmental activities with a book value of \$5,822,444 were transferred from the Highway Fund. This amount has been reported as an operating expense in the Highway Fund statements, rather than a transfer of financial resources. However, in the government-wide statements a transfer of capital resources was reported. Additionally construction of the new highway shop of \$3,246,021 was transferred from governmental activities to business-type activities. In the governmental fund statements this is reflected as an expense while the highway fund records a capital contribution. For the government wide statements this amount is reclassified and presented as transfers in and out.

The details of interfund receivables and payables for the year ended December 31, 2015 are shown below. Interfund payables were incurred to replenish deficit cash balances.

	<u>Due To</u>	<u>Due From</u>
Capital Projects	\$ 1,250,432	\$ -
General Fund	<u>-</u>	<u>1,250,432</u>
	<u><u>\$ 1,250,432</u></u>	<u><u>\$ 1,250,432</u></u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

I. Long-term obligations

Legal margin for new debt

Wisconsin statutes limit direct general obligation borrowing in the amount equivalent to 5% of the equalized valuation of taxable property. The County's legal margin for creation of additional general obligation debt on December 31, 2015 follows:

Equalized Value of the County (TID in)	\$ 6,488,642,200
Statutory Limitation Percent	<u>5%</u>
General Obligation Debt Limitation, as per Section 67.03 of the Wisconsin Statutes	324,432,110
Less Outstanding General Obligation Debt	<u>(16,404,000)</u>
Remaining Legal Margin	<u><u>\$ 308,028,110</u></u>

Long-term liability activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 13,500,000	\$ 3,885,000	\$ 995,000	\$ 16,390,000	\$ 745,000
Promissory Note	-	14,000	-	14,000	-
Debt Premium	309,372	153,533	20,448	442,457	23,519
Compensated Absences	<u>3,879,724</u>	<u>3,258,783</u>	<u>3,154,985</u>	<u>3,983,522</u>	<u>3,269,340</u>
Total Governmental Activities Long-Term Liabilities	<u><u>\$ 17,689,096</u></u>	<u><u>\$ 7,311,316</u></u>	<u><u>\$ 4,170,433</u></u>	<u><u>\$ 20,829,979</u></u>	<u><u>\$ 4,037,859</u></u>
Business-Type Activities					
Compensated Absences	<u><u>\$ 580,592</u></u>	<u><u>\$ 431,906</u></u>	<u><u>\$ 452,180</u></u>	<u><u>\$ 560,318</u></u>	<u><u>\$ 491,450</u></u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

I. Long-term obligations (continued)

General obligation debt is a direct obligation and pledge of the full faith and credit of the County. General obligation debt currently outstanding includes the following individual debt issue:

General Obligation County Building Bonds, Series 2013A, original amount \$3,505,000 dated 12/30/13; annual principal payment commencing April 1, 2015 with final payment due April 1, 2033; interest payable semiannually at rates from 2% to 4% \$ 3,360,000

General Obligation County Building Bonds, Series 2014A, original amount \$9,995,000 dated 9/25/14; annual principal payment commencing April 1, 2015 with final payment due April 1, 2034; interest payable semiannually at rates from 0.5% to 3.35% 9,145,000

General Obligation County Building Bonds, Series 2015A, original amount \$3,885,000 dated 5/12/15; annual principal payment commencing April 1, 2016 with final payment due April 1, 2034; interest payable Semiannually at rates from 2.5% to 3% 3,885,000

Promissory Note, original amount \$14,000 dated 11/25/15; due on or Before November 15, 2018; interest rate at 0% 14,000

Total General Obligation Bonds \$ 16,404,000

Debt was issued for the demolition of the old nursing home, which is the future site of the new highway shop and for starting the construction of the new Highway shop.

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2016	\$ 745,000	\$ 468,668	\$ 1,213,668
2017	680,000	454,342	1,134,342
2018	709,000	439,018	1,148,018
2019	710,000	423,342	1,133,342
2020	730,000	406,443	1,136,443
2021-2025	3,980,000	1,697,700	5,677,700
2026-2030	4,595,000	1,081,238	5,676,238
2031-2034	4,255,000	291,300	4,546,300
Total	<u>\$ 16,404,000</u>	<u>\$ 5,262,051</u>	<u>\$ 21,666,051</u>

Long-term obligations in the governmental activities are liquidated by the General Fund and proprietary funds are expected to be liquidated from proprietary fund revenues.

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity

1. Government-wide statements

Net position of the governmental activities reported on the government-wide statement of net position at December 31, 2015 includes the following:

Net Investment in Capital Assets	
Land	\$ 6,600,461
Land - Right of Way	9,042,138
Land - Flood Mitigation	12,858,777
Construction in Progress	1,681,226
Buildings and Improvements	29,539,815
Roads and Bridges	74,614,103
Machinery and Equipment	12,092,551
Total Capital Assets	<u>146,429,071</u>
Less: Accumulated depreciation	<u>51,671,927</u>
Total Net Investment in Capital Assets	94,757,144
Restricted for Economic Development	230,791
Restricted for Economic Development-Revolving Loan Fund	707,641
Restricted for Register of Deeds - Statute	139,972
Restricted for County Clerk-ICC Funds	520
Restricted for Land Information - Statute	96,011
Restricted for Parks improvement	115,238
Restricted for Public Safety Programs	392,645
Restricted for UW Extension Educational Activities	49
Restricted for Fair Park - Donations	26,577
Restricted for Zoning	244,722
Restricted for Human Services	64,516
Restricted for Health Services	832,482
Restricted for Debt Service	75,384
Restricted for Pension	9,120,750
Total Restricted Net Position	<u>12,047,298</u>
Unrestricted	<u>12,004,435</u>
Total Governmental Activities Net Position	<u><u>\$ 118,808,877</u></u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

1. Government-wide statements (continued)

Net position of the business-type activities reported on the government-wide statement of net position at December 31, 2015 includes the following:

Net Investment in Capital Assets

Land	\$ 1,617,151
Buildings and Improvements	15,861,452
Machinery and Equipment	<u>16,240,979</u>
Total Capital Assets	33,719,582
Less: Accumulated Depreciation	<u>(8,887,329)</u>
Total Net Investment in Capital Assets	24,832,253
Restricted for Local Road Improvements	121,576
Restricted for Pension	<u>916,883</u>
Total Restricted Net Position	1,038,459
Unrestricted Net Position	<u>6,031,956</u>
Total Business-Type Activities Net Position	<u><u>\$ 31,902,668</u></u>

The County's total column for net position has been adjusted for the 2013A, 2014A and 2015A General Obligation County Building Bonds recorded as governmental debt, but used to construct business-type activity capital assets. Neither the governmental or business-type activities net position or net investment in capital assets have been reduced by those bonds, but the total column does reflect that reduction to properly reflect the bonds effect on total net position. A reconciliation of the total net investment in capital assets as of December 31, 2015 includes the following:

Net Investment in Capital Assets

Governemental Activities	\$ 94,757,144
Business-Type Activities	<u>24,832,253</u>
Total Net Investment in Capital Assets	119,589,397
Less: Related Long-Term Debt Outstanding Net of Amortized Debt Premium	(16,832,456)
Add: Unspent Bond Proceeds	<u>1,848,046</u>
Total Government-wide Net Investment in Capital Assets	<u><u>\$ 104,604,987</u></u>

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

II. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

2. Fund statements

Governmental fund balances reported on the fund financial statements at December 31, 2015 include the following:

Nonspendable	
General Fund	
Inventory	\$ 293,953
Delinquent Property Taxes	2,562,229
Deposits Held by Mutual Insurance Company	783,000
Prepaid Expenditures	1,020,993
Total General Fund	<u>4,660,175</u>
Health and Human Services Fund	
Prepaid Expenditures	<u>247,487</u>
Nonmajor Funds	
Prepaid Expenditures	<u>18,205</u>
Total Nonspendable	<u><u>\$ 4,925,867</u></u>
Restricted	
General Fund	
Economic Development	\$ 230,791
Economic Development-Revolving Loan Fund	707,641
Register of Deeds - Statute	139,972
County Clerk-ICC Funds	520
Land Information - Statute	96,011
Parks Improvements	115,238
Public Safety Programs	392,645
UW Extension Educational Activities	49
Fair Park - Donations	26,577
Zoning	244,722
Total General Fund	<u>1,954,166</u>
Human Services Fund - Human Services	64,516
Capital Projects	1,848,046
Nonmajor Funds	
Health Services	814,277
Debt Service	<u>75,384</u>
Total Restricted	<u><u>\$ 4,756,389</u></u>

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

II. DETAILED NOTES ON ALL FUNDS (continued)

J. Fund equity (continued)

2. Fund statements (continued)

Committed		
General Fund		
General Liability Insurance Reserve	\$	197,593
Total Committed	\$	197,593
Assigned		
General Fund		
Subsequent Year Budget	\$	1,051,049
Continuing Accounts		
General Government		435,601
Public Safety		255,109
Conservation Development		445,613
Culture, Recreation, and Education		360,268
Information Systems		74,000
Vested holiday pay		609
Vested sick pay		1,175,085
Vested vacation pay		1,745,835
Vested comp pay		37,971
Total General Fund		5,581,140
Human Services Fund-Continuing Accounts		680,255
Total Assigned	\$	6,261,395
Unassigned		
General Fund	\$	17,628,190
Total Unassigned	\$	17,628,190
Total Fund Balance	\$	33,769,434

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION

A. Claims and other legal proceedings

From time to time, the County becomes party to claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and Corporation Counsel that the likelihood is remote that any such pending claims or proceedings will have a material adverse effect on the County's financial position.

B. Intergovernmental grants

The County participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

C. Risk management

The County is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. The County has chosen to retain a portion of the risks through self-insurance programs. A description of the County's risk management is presented below:

1. Property and liability insurance

In 2008, the County became a member, with certain other units of government within the State of Wisconsin, of the Wisconsin Municipal Mutual Insurance Company (WMMIC), a non-assessable mutual company which provides liability insurance and risk management services to its members. The County's coverage began as of January 1, 2009. The scope of insurance protection provided by WMMIC is broad, covering automobile liability, general liability, law enforcement liability, public official's errors and omissions, civil rights, incidental medical malpractice, personal injury, equal rights, and Americans with Disabilities Act at policy limits of \$5,000,000 per occurrence with a \$10,000,000 aggregate for general and automobile liability claims and a \$15,000,000 aggregate for errors or omissions claims. At this time, settled claims have not exceed the commercial coverage in any of the past three years. WMMIC's exposure in its layer of insurance is limited to \$1,000,000 per occurrence in that the company purchases \$4,000,000 per occurrence in reinsurance for losses in excess of its retained layer of coverage.

WMMIC is governed by one entity-one vote. Member entities include the counties of Walworth, Brown, Chippewa, Dane, Dodge, Eau Claire, Kenosha, LaCrosse, Manitowoc, Marathon, Outagamie, St Croix, Waukesha, and the cities of Eau Claire and Madison. All member entities participate in the governing of the company. Its Board of Directors is made up of at least five representatives of the participating entities and the company's charter allows for the appointment of two at large members to the Board of Directors. The participants elect the board members at the annual meeting. The board has the authority to adopt its own budget, set policy matters and control the financial affairs of the company.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION (continued)

C. Risk management (continued)

The County's investment in WMMIC is reported on the general fund balance sheet as an investment in WMMIC. The County's original capitalization amount paid in was \$783,000. According to its bylaws, WMMIC allocated equity to members based on the percentage of participation. A list of other members and their share of participation is in the WMMIC report. Separate financial statements can be obtained from WMMIC at their address of 4785 Hayes Road, Madison, Wisconsin, 53704.

The County also purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are also recorded as expenditures in various funds of the County.

2. Dental Insurance

County employees, retirees, and employee dependents are eligible for dental benefits from a dental self-insurance plan. Funding is provided by charges to county departments, employees, and retirees. The program is not supplemented by stop loss protection, which limits the County's annual liability. Expenses consist of payments to a third-party administrator for dental claims, and administrative fees. The claims liability of \$20,000 reported in the General Fund at December 31, 2015, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claim liability amount for 2014 and 2015 is as follows:

		<u>Liability</u>		<u>Claims and</u>		<u>Claim</u>		<u>Liability</u>
		<u>January 1</u>		<u>Changes in</u>		<u>Payments</u>		<u>December 31</u>
				<u>Estimates</u>				
2014	\$	21,000	\$	429,767	\$	430,767	\$	20,000
2015		20,000		440,534		440,534		20,000

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION (continued)

C. Risk management (continued)

3. Workers' Compensation

The County has established a worker's compensation fund to finance workers' compensation awards for county employees. The program is funded by charges to county departments. The program also is supplemented by stop loss protection, which limits the County's annual liability. Expenses and accrual of claim liabilities are accounted for based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the liability for 2014 and 2015 are as follows:

	<u>Liability</u> <u>January 1</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>December 31</u>
2014	\$ 80,196	\$ 219,209	\$ 187,609	\$ 111,796
2015	111,796	319,256	200,297	230,755

4. General Liability

The County has established a general liability fund to finance general liability insurance claims. The program is funded by charges to the County departments. Expenses and accrual of claim liabilities are accounted for based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the liability for 2014 and 2015 are as follows:

	<u>Liability</u> <u>January 1</u>	<u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>December 31</u>
2014	\$ -	\$ 16,391	\$ -	\$ 16,391
2015	16,391	(4,421)	3,706	8,264

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

III. OTHER INFORMATION (continued)

D. Defined benefit pension plans

General information about the Pension Plan

Plan description. WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in WRS.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and state executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents or partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced

**JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015**

III. OTHER INFORMATION (continued)

D. Defined benefit pension plans (continued)

Post-retirement adjustment (continued)

to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8%	3%
2007	3.0%	10%
2008	6.6%	0%
2009	-2.1%	-42%
2010	-1.3%	22%
2011	-1.2%	11%
2012	7.0%	-7%
2013	-9.6%	9%
2014	4.7%	25%

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, WRS recognized \$1,942,475 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2014, Jefferson County reported an asset of \$4,920,582 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014.

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION (continued)

D. Defined benefit pension plans (continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Jefferson County's proportion of the net pension asset was based on the Jefferson County's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, Jefferson County's proportion was .20032713% which was a decrease of .000512% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, Jefferson County recognized net pension expense of \$(177,079).

At December 31, 2015, Jefferson County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 713,331	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan	2,382,784	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,331	-
Employer contributions subsequent to the measurement date	2,016,605	-
Total	\$ 5,117,051	\$ -

\$2,016,605 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of	Deferred Inflows of
2015	\$ 609,798	\$ -
2016	609,798	-
2017	609,798	-
2018	609,798	-
2019	609,798	-
Thereafter	51,456	-

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION (continued)

D. Defined benefit pension plans (continued)

Actuarial assumptions. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, Actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009-2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

III. OTHER INFORMATION (continued)

D. Defined benefit pension plans (continued)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Jefferson County's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents Jefferson County's proportionate share of the net pension asset calculated using the discount rate of 7.2%, as well as what Jefferson County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower (6.2%) or 1% higher (8.2%) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase To Discount Rate (8.2%)
Jefferson County's proportionate share of the net pension liability (asset)	\$ 13,881,810	\$ (4,920,582)	\$ (19,769,952)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab> and reference report number 15-11.

E. Reinstatement of net position

Net Position has been restated as a result of the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

JEFFERSON COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2015

E. Reinstatement of Net Position (continued)

	Governmental Activities	Business-Type Activities	Total
Net position-December 31, 2014 (as reported)	\$ 107,996,139	\$ 28,454,741	\$ 136,450,880
Add: Net pension asset	7,207,098	710,980	7,918,078
Add: Deferred outflows-pension related amounts	1,736,573	205,902	1,942,475
Net position-December 31, 2014 (as restated)	<u>\$ 116,939,810</u>	<u>\$ 29,371,623</u>	<u>\$ 146,311,433</u>

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property Taxes	\$ 13,091,987	\$ 13,091,987	\$ 13,397,539	\$ 305,552
Sales Taxes	5,541,031	5,541,031	5,847,633	306,602
Intergovernmental Revenues	5,089,126	5,089,126	5,090,643	1,517
Licenses and Permits	166,970	166,970	213,283	46,313
Fines and Forfeitures	399,700	399,700	437,789	38,089
Public Charges for Services	2,382,831	2,382,831	2,400,247	17,416
Intergovernmental Charges	607,302	607,302	716,470	109,168
Miscellaneous Revenues	1,338,074	1,410,501	1,133,933	(276,568)
Total Revenues	28,617,021	28,689,448	29,237,537	548,089
Expenditures				
General Government				
General	830,056	885,724	-	885,724
County Board	265,114	265,114	249,633	15,481
Administration	372,657	379,781	376,843	2,938
Human Resources	457,389	499,789	488,135	11,654
Register of Deeds	482,580	435,805	283,848	151,957
County Clerk	310,180	326,217	286,790	39,427
Land Information	525,787	596,243	463,041	133,202
County Treasurer	239,255	239,255	207,912	31,343
District Attorney	843,934	843,934	771,719	72,215
Corporation Counsel	329,399	331,617	331,964	(347)
Central Services	753,467	1,072,467	776,423	296,044
Clerk of Courts	2,628,376	2,628,376	2,575,029	53,347
Medical Examiner	155,170	155,170	173,681	(18,511)
Finance	456,414	456,414	445,906	10,508
MIS Capital Outlay Allocated to				
Departments	(167,550)	(94,350)	(129,255)	34,905
Total General Government	<u>8,482,228</u>	<u>9,021,556</u>	<u>7,301,669</u>	<u>1,719,887</u>
Public Safety				
Emergency Management	360,037	363,898	162,186	201,712
Sheriff	13,475,736	13,729,071	13,016,161	712,910
Total Public Safety	<u>13,835,773</u>	<u>14,092,969</u>	<u>13,178,347</u>	<u>914,622</u>
Health and Human Services				
Child Support	1,251,247	1,251,247	1,230,720	20,527
Veterans Services	170,811	172,677	172,457	220
County Board-Donation Clinic	50,000	50,000	50,000	-
General	1,469	1,469	43,898	(42,429)
Total Health and Human Services	<u>1,473,527</u>	<u>1,475,393</u>	<u>1,497,075</u>	<u>(21,682)</u>
Public Works				
Parks	2,599	2,599	4,649	(2,050)
Planning & Zoning-Solid Waste	345,204	373,501	164,941	208,560
Total Public Works	<u>347,803</u>	<u>376,100</u>	<u>169,590</u>	<u>206,510</u>

(continued)

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances (continued)
Budget and Actual
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Culture, Recreation and Education				
County Board-Historical Society	4,380	3,309	4,178	(869)
Parks	986,914	1,273,508	802,780	470,728
UW Extension	365,290	366,153	312,566	53,587
Fair Park	1,225,792	1,310,040	1,121,828	188,212
Library	1,017,546	1,018,000	1,018,000	-
Total Culture, Recreation and Education	<u>3,599,922</u>	<u>3,971,010</u>	<u>3,259,352</u>	<u>711,658</u>
Conservation and Development				
Economic Development	456,012	470,118	353,805	116,313
Farm Drainage Board	5,460	5,460	3,771	1,689
Land Conservation	748,655	750,823	596,736	154,087
Planning & Zoning	506,239	524,239	491,574	32,665
Revolving Loan Fund	16,000	16,000	11,785	4,215
Total Conservation & Development	<u>1,732,366</u>	<u>1,766,640</u>	<u>1,457,671</u>	<u>308,969</u>
Capital Outlay	<u>2,215,870</u>	<u>2,215,870</u>	<u>1,878,344</u>	<u>337,526</u>
Total Expenditures	31,687,489	32,919,538	28,742,048	4,177,490
Revenues Over (Under) Expenditures	(3,070,468)	(4,230,090)	495,489	4,725,579
Other Financing Sources				
Proceeds from Notes Payable	-	14,000	14,000	-
Transfer In	-	216,556	216,556	-
Total Other Financing Sources	-	230,556	230,556	-
Change in Fund Balances	\$ (3,070,468)	\$ (3,999,534)	726,045	\$ 4,725,579
Fund Balances, Beginning of Year			<u>29,295,219</u>	
Fund Balances, End of Year			<u>\$ 30,021,264</u>	

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Human Services Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Property Taxes	\$ 8,350,391	\$ 8,350,391	\$ 8,350,391	\$ -
Intergovernmental Revenues	7,427,318	7,427,318	7,249,131	(178,187)
Public Charges for Services	4,231,710	4,231,710	4,477,201	245,491
Intergovernmental Charges	1,457,602	1,457,602	1,365,277	(92,325)
Miscellaneous Revenues	130,815	130,815	80,109	(50,706)
Total Revenues	<u>21,597,836</u>	<u>21,597,836</u>	<u>21,522,109</u>	<u>(75,727)</u>
Expenditures				
Health and Human Services	21,368,836	21,585,883	20,649,856	936,027
Capital Outlay	229,000	229,000	339,272	(110,272)
Total Expenditures	<u>21,597,836</u>	<u>21,814,883</u>	<u>20,989,128</u>	<u>825,754</u>
Revenues Over (Under) Expenditures	-	(217,047)	532,981	750,028
Other Financing Uses				
Transfer Out	-	(216,556)	(216,556)	-
Change in Fund Balances	<u>\$ -</u>	<u>\$ (433,603)</u>	<u>316,425</u>	<u>\$ 750,028</u>
Fund Balances, Beginning of Year			<u>675,833</u>	
Fund Balances, End of Year			<u>\$ 992,258</u>	

See Independent Auditors' Report

Jefferson County, Wisconsin
Schedule of Proportionate Share of the Net Pension Asset
December 31, 2015

	<u>2014</u>
County's proportionate of the net pension liability (asset)	0.20%
County's proportionate share of the net pension liability (asset)	\$ (4,920,582)
County's covered-employee payroll	25,012,937
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-19.67%
Plan fiduciary net position as a percentage of the of the total pension liability	102.74%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, governments are only required to show information going forward and not go back retrospectively.

See Independent Auditors' Report

Jefferson County, Wisconsin
Schedule of Contributions to Wisconsin Retirement System
December 31, 2015

	<u>2014</u>
Contractually required contribution	\$ 1,942,475
Contributions in relation to the contractually required contribution	<u>(1,942,475)</u>
Contribution deficiency (excess)	<u>\$ -</u>
County's covered-employee payroll	\$ 25,012,937
Contributions as a percentage of covered-employee payroll	7.77%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, governments are only required to show information going forward and not go back retrospectively.

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

I. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

During October, County management submits to the County Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by County Board action.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental and proprietary funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.

During the year, formal budgetary integration is employed as a management control device for the governmental and proprietary funds.

The legal level of budgetary control is at the department level. The detailed budget document is prepared by department level but monitored at the cost center level. A cost center can be a department or an activity within a department. Management can make transfers within a department without the approval of the County Board. Transfers between departments or budget amendments requiring the use of fund balance require initial approval by management and are subsequently authorized by the Finance Committee or County Board.

Expenditures exceeded appropriations in the following funds/functions:

General Fund:

Corporation Counsel	\$ 347
Medical Examiner	18,511
General	42,429
Parks	2,050
County Board-Historical Society	869

Human Services Fund:

Capital Outlay	110,272
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Capital Projects Fund:

Public Works	40,907
Interest and Fiscal Charges	79,996

JEFFERSON COUNTY, WISCONSIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

I. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Health Services Fund:		
Capital Outlay	\$	300
Highway Fund:		
Operation and Maintenance		679,360
Depreciation		336,526

II. WISCONSIN RETIREMENT SYSTEM

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

This information is an integral part of the accompanying required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Capital Projects Fund
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget- Positive (Negative)</u>
Revenues				
Miscellaneous Revenues	\$ 2,000	\$ 2,000	\$ 3,001	\$ 1,001
Expenditures				
Public Works	10,750	10,750	51,658	(40,907)
Capital Outlay	4,381,250	6,583,435	4,145,921	2,437,514
Debt Service				
Interest and Fiscal Charges	-	-	79,996	(79,996)
Total Expenditures	<u>4,392,000</u>	<u>6,594,185</u>	<u>4,277,575</u>	<u>2,316,611</u>
Revenues Over (Under) Expenditures	(4,390,000)	(6,592,185)	(4,274,574)	2,317,612
Other Financing Sources				
General Obligation Debt Issued	4,390,000	4,390,000	3,766,902	(623,098)
Premium on Debt Issued	-	-	153,533	153,533
Total Other Financing Sources	<u>4,390,000</u>	<u>4,390,000</u>	<u>3,920,435</u>	<u>(469,565)</u>
Change in Fund Balances	<u>\$ -</u>	<u>\$ (2,202,185)</u>	(354,139)	<u>\$ 1,848,047</u>
Fund Balances, Beginning of Year			<u>2,202,185</u>	
Fund Balances, End of Year			<u>\$ 1,848,046</u>	

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Fund Health Services	Debt Service	Total
Assets			
Cash and Cash Equivalents	\$ 793,885	\$ 75,384	\$ 869,269
Property Tax Receivables			
Current Year Tax Levy	838,207	1,138,284	1,976,491
Accounts Receivable			
Due from Other Government Units	27,432	-	27,432
General Accounts Receivable	6,840	-	6,840
Prepaid Expenditures	18,205	-	18,205
Total Assets	<u>1,684,569</u>	<u>1,213,668</u>	<u>2,898,237</u>
Liabilities			
Accrued Liabilities	<u>13,880</u>	<u>-</u>	<u>13,880</u>
Deferred Inflows			
Subsequent year tax levy	<u>838,207</u>	<u>1,138,284</u>	<u>1,976,491</u>
Fund Balances			
Nonspendable	18,205	-	18,205
Restricted	814,277	75,384	889,661
Total Fund Balances	<u>832,482</u>	<u>75,384</u>	<u>907,866</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,684,569</u>	<u>\$ 1,213,668</u>	<u>\$ 2,898,237</u>

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue Fund Health Services	Debt Service	Total
Revenues			
Property Taxes	\$ 875,223	\$ 1,180,096	\$ 2,055,319
Intergovernmental Revenues	478,584	-	478,584
Public Charges for Services	297,910	-	297,910
Intergovernmental Charges	27,168	-	27,168
Miscellaneous Revenues	1,114	-	1,114
Total Revenues	<u>1,679,999</u>	<u>1,180,096</u>	<u>2,860,095</u>
Expenditures			
Health and Human Services	1,718,036	-	1,718,036
Capital Outlay	20,300	-	20,300
Debt Service			
Principal	-	995,000	995,000
Interest and Fiscal Charges	-	415,400	415,400
Total Expenditures	<u>1,738,336</u>	<u>1,410,400</u>	<u>3,148,736</u>
Revenues Over (Under) Expenditures	(58,337)	(230,304)	(288,641)
Other Financing Sources			
General obligation debt issued	<u>-</u>	<u>118,098</u>	<u>118,098</u>
Change in Fund Balances	(58,337)	(112,206)	(170,543)
Fund Balances, Beginning of Year	<u>890,819</u>	<u>187,590</u>	<u>1,078,409</u>
Fund Balances, End of Year	<u><u>\$ 832,482</u></u>	<u><u>\$ 75,384</u></u>	<u><u>\$ 907,866</u></u>

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Health Services Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Property Taxes	\$ 875,223	\$ 875,223	\$ 875,223	\$ -
Intergovernmental Revenues	474,639	476,234	478,584	2,350
Public Charges for Services	369,271	369,271	297,910	(71,361)
Interdepartmental charges	33,673	33,673	27,168	(6,505)
Miscellaneous Revenues	480	480	1,114	634
Total Revenues	<u>1,753,286</u>	<u>1,754,881</u>	<u>1,679,999</u>	<u>(74,882)</u>
Expenditures				
Health and Human Services	1,867,509	1,942,104	1,718,036	224,068
Capital Outlay	20,000	20,000	20,300	(300)
Total Expenditures	<u>1,887,509</u>	<u>1,962,104</u>	<u>1,738,336</u>	<u>223,768</u>
Revenues Over (Under) Expenditures	<u>(134,223)</u>	<u>(207,223)</u>	<u>(58,337)</u>	<u>148,886</u>
Change in Fund Balances	<u>\$ (134,223)</u>	<u>\$ (207,223)</u>	<u>(58,337)</u>	<u>\$ 148,886</u>
Fund Balances, Beginning of Year			<u>890,819</u>	
Fund Balances, End of Year			<u>\$ 832,482</u>	

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Debt Services Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenues				
Property Taxes	<u>\$ 1,180,096</u>	<u>\$ 1,180,096</u>	<u>\$ 1,180,096</u>	<u>\$ -</u>
Expenditures				
Principal	995,000	995,000	995,000	-
Interest	<u>372,686</u>	<u>560,276</u>	<u>415,400</u>	<u>144,876</u>
Total Expenditures	<u>1,367,686</u>	<u>1,555,276</u>	<u>1,410,400</u>	<u>144,876</u>
Revenues Under Expenditures	(187,590)	(375,180)	(230,304)	144,876
Other Financing Sources				
General obligation debt issued	<u>187,590</u>	<u>187,590</u>	<u>118,098</u>	<u>(69,492)</u>
Change in Fund Balances	<u>\$ -</u>	<u>\$ (187,590)</u>	(112,206)	<u>\$ 75,384</u>
Fund Balances, Beginning of Year			<u>187,590</u>	
Fund Balances, End of Year			<u>\$ 75,384</u>	

See Independent Auditors' Report

JEFFERSON COUNTY, WISCONSIN
Schedule of Revenues, Expenditures, and Changes in Net Position
Budget and Actual
Highway Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues				
Charges for Services	\$ 3,101,977	\$ 3,101,977	\$ 3,417,871	\$ 315,894
Miscellaneous Revenues	107,339	107,339	122,513	15,174
Total Operating Revenues	<u>3,209,316</u>	<u>3,209,316</u>	<u>3,540,384</u>	<u>331,068</u>
Operating Expenses				
Operation and Maintenance	9,974,082	9,974,082	10,653,442	(679,360)
Depreciation	1,037,546	1,037,546	1,374,072	(336,526)
Total Operating Expenses	<u>11,011,628</u>	<u>11,011,628</u>	<u>12,027,514</u>	<u>(1,015,886)</u>
Operating Loss	<u>(7,802,312)</u>	<u>(7,802,312)</u>	<u>(8,487,130)</u>	<u>(684,819)</u>
Nonoperating Revenues				
Property Taxes	5,743,609	5,743,609	5,743,609	-
Intergovernment Grants	1,578,703	1,578,703	1,628,946	50,243
Gain on Disposal of Assets	40,000	40,000	263,479	223,479
Total Nonoperating Revenues	<u>7,362,312</u>	<u>7,362,312</u>	<u>7,636,034</u>	<u>273,723</u>
Loss Before Contributions	<u>(440,000)</u>	<u>(440,000)</u>	<u>(851,096)</u>	<u>(411,096)</u>
Capital Contributions	<u>-</u>	<u>-</u>	<u>3,382,141</u>	<u>3,382,141</u>
Change In Net Position	<u>\$ (440,000)</u>	<u>\$ (440,000)</u>	<u>2,531,045</u>	<u>\$ (2,971,045)</u>
Net Position, Beginning of Year, as Restated			<u>29,371,623</u>	
Net Position, End of year			<u>\$ 31,902,668</u>	

See Independent Auditors' Report

STATISTICAL SECTION

STATISTICAL SECTION

This part of Jefferson County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

FINANCIAL TRENDS – TABLES 1-6

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY – TABLES 7-10

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

DEBT CAPACITY – TABLES 11-12

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt as well as the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – TABLES 13-14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – TABLES 15-17

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements and/or comprehensive annual financial reports for the relevant year.

Jefferson County, Wisconsin
Table 1
Net Position by Component
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 71,381,576	\$ 74,293,193	\$ 66,812,841	\$ 68,068,319	\$ 75,381,872	\$ 80,485,356	\$ 83,958,241	\$ 87,177,141	\$ 89,993,404	\$ 94,757,144
Restricted	-	208,156	329,846	1,320,180	3,286,244	1,858,450	1,929,792	3,040,930	3,270,137	12,047,298
Unrestricted	28,478,462	30,716,894	24,065,034	23,382,009	26,816,103	30,141,568	29,981,100	27,587,496	14,732,598	12,004,435
Total Governmental Activities Net Position	99,860,038	105,218,243	91,207,721	92,770,508	105,484,219	112,485,374	115,869,133	117,805,567	107,996,139	118,808,877
Business-Type Activities										
Net Investment in Capital Assets	***	***	12,019,237	14,113,569	7,561,268	7,835,276	9,225,204	9,783,239	21,811,405	24,832,253
Restricted	***	***	217,032	91,674	91,674	113,467	119,651	119,805	135,248	1,038,459
Unrestricted	***	***	4,218,866	3,449,696	3,994,197	4,507,347	4,168,440	5,558,218	6,508,086	6,031,966
Total Business-Type Activities Net Position	-	-	16,455,135	17,654,939	11,647,139	12,456,090	13,513,295	15,461,262	28,454,741	31,902,668
Primary Government										
Net Investment in Capital Assets	71,381,576	74,293,193	78,832,078	82,181,888	82,943,140	88,320,632	93,183,445	96,960,380	100,197,622	104,604,987
Restricted	-	208,156	546,878	1,411,854	3,377,918	1,971,917	2,049,443	3,160,735	3,405,385	13,085,758
Unrestricted	28,478,462	30,716,894	28,283,900	26,831,705	30,810,300	34,648,915	34,149,540	33,145,714	32,847,873	33,020,801
Total Primary Government Net Position	\$ 99,860,038	\$ 105,218,243	\$ 107,662,856	\$ 110,425,447	\$ 117,131,358	\$ 124,941,464	\$ 129,382,428	\$ 133,266,829	\$ 136,450,880	\$ 150,711,546

*** Information not available. All activities were reported as Governmental for the years prior to 2008.

In 2015, the beginning balance of net position was reinstated by \$8.9 million for Governmental Activities and \$917 thousand for Business-Type Activities for a total of \$9.8 million as a result of GASB Statement No. 68-Accounting and Financial reporting for Pension-an Amendment of GASB Statement No. 27 and implementation of GASB Statement No. 71-Pension Transition for Contributions Made Subsequent to the Measurement Date.

Note: Information is from the Statement of Net Position

Jefferson County, Wisconsin
Table 2
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 8,045,426	\$ 7,527,284	\$ 8,038,208	\$ 6,883,711	\$ 7,482,859	\$ 7,435,630	\$ 7,497,904	\$ 7,404,585	\$ 7,862,754	\$ 7,217,855
Public Safety	12,017,003	12,442,360	14,186,975	13,270,246	13,197,129	13,429,430	13,036,876	12,979,178	13,405,351	13,633,535
Public Works	6,367,726	7,486,947	1,821,687	1,861,463	1,573,661	1,725,668	1,857,037	2,039,356	2,260,280	3,380,318
Health and Human Services	47,945,537	49,483,771	38,270,965	25,008,265	22,976,053	22,188,872	22,402,840	22,768,690	23,715,577	24,013,473
Culture, Recreation, and Education	3,097,610	3,280,304	3,600,004	3,472,403	3,612,676	3,906,579	3,741,054	3,761,691	3,658,577	3,622,571
Conservation and Development	1,251,635	1,359,772	1,548,127	1,236,440	1,737,143	1,917,657	2,544,135	3,194,232	1,300,254	1,367,183
Interest on Debt	338,046	272,121	51,781	39,898	28,410	3,924	648	59	172,775	391,006
Total Governmental Activities Expenses	\$ 79,062,983	\$ 81,852,559	\$ 67,517,747	\$ 51,772,426	\$ 50,607,931	\$ 50,607,760	\$ 51,080,494	\$ 52,147,751	\$ 52,375,546	\$ 53,625,941
Business-Type Activities										
Countyside Home	***	***	\$ 12,174,347	\$ 12,061,511	\$ 6,446,687	\$ 6,428,256	\$ 5,894,062	\$ 6,737,846	\$ 6,199,623	\$ 6,205,070
Highway Department	***	***	6,989,792	6,235,044	5,921,762	6,428,256	5,894,062	6,737,846	6,199,623	6,205,070
Total Business-Type Activities Expenses	-	-	19,164,139	18,296,555	12,368,449	12,856,512	11,788,124	13,475,692	12,399,246	12,410,140
Total Primary Government Expenses	\$ 79,062,983	\$ 81,852,559	\$ 86,681,886	\$ 70,068,981	\$ 62,976,380	\$ 63,464,272	\$ 62,868,616	\$ 65,623,443	\$ 64,774,792	\$ 66,036,081
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 320,455	\$ 1,545,732	\$ 1,492,884	\$ 1,574,725	\$ 1,338,178	\$ 1,426,406	\$ 1,519,900	\$ 1,426,523	\$ 1,280,120	\$ 1,326,017
Public Safety	1,107,044	1,586,760	1,466,219	1,302,260	1,194,996	1,314,011	1,205,870	1,098,318	1,056,403	1,213,987
Public Works	3,350,514	4,225,635	1,110,504	81,274	104,987	106,801	92,013	93,741	132,335	101,141
Health and Human Services	17,014,625	15,746,830	7,565,969	6,708,498	4,345,987	4,540,059	5,479,156	5,801,871	6,258,294	6,180,924
Culture, Recreation, and Education	371,603	868,896	768,193	1,001,979	1,044,024	1,147,037	1,190,726	1,226,261	1,227,355	1,195,657
Conservation and Development	195,343	817,225	783,639	420,106	250,028	318,525	302,097	297,442	286,490	319,575
Operating Grants and Contributions	740,055	575,311	533,896	510,269	518,504	497,912	450,438	447,138	560,049	591,913
General Government	325,039	526,572	530,673	382,565	289,539	455,343	393,828	301,118	323,386	306,458
Public Safety	1,958,601	1,792,934	38,805	28,730	-	54,244	36,109	39,130	40,486	48,323
Public Works	21,155,224	24,110,848	22,522,070	9,816,057	9,805,770	9,629,886	8,215,302	8,010,256	8,419,316	8,933,736
Health and Human Services	102,459	92,515	134,662	57,698	119,823	146,553	117,171	279,903	155,176	132,978
Culture, Recreation, and Education	195,823	263,258	290,645	561,852	738,772	962,790	1,592,555	2,237,208	241,397	301,733
Conservation and Development	41,883	-	-	-	-	-	225,000	-	-	-
Capital Grants and Contributions	285,090	49,897	257,121	570,659	5,122,628	2,122,731	136,720	470,744	660,167	517,482
General Government	899,713	495,726	900,057	-	-	-	-	-	-	-
Public Safety	15,656	-	5,000	-	23,571	-	-	-	-	-
Health and Human Services	9,443	8,400	80,000	378,363	-	466,950	10,000	-	-	30,721
Culture, Recreation, and Education	-	-	-	-	-	407,073	-	-	-	-
Conservation and Development	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 48,088,570	\$ 52,706,539	\$ 37,480,337	\$ 23,395,035	\$ 24,896,807	\$ 23,596,321	\$ 20,966,885	\$ 21,844,653	\$ 20,640,974	\$ 21,200,645
Business-Type Activities:										
Charges for Services:										
Highway	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elderly Care - Countyside	-	-	4,503,990	3,561,888	4,131,586	3,607,555	3,368,140	3,577,392	3,241,907	3,048,127
Operating Grants and Contributions	-	-	8,037,510	8,922,068	4,225,200	-	-	-	-	-
Highway	-	-	1,974,125	1,704,857	1,986,454	1,729,569	1,682,059	1,753,405	1,583,597	1,628,945
Elderly Care - Countyside	-	-	1,273,656	1,166,965	429,407	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	\$ -	\$ -	\$ 15,789,281	\$ 15,355,778	\$ 10,772,647	\$ 5,337,124	\$ 5,050,199	\$ 5,330,797	\$ 4,825,504	\$ 628,378
Total Primary Government Program Revenues	\$ 48,088,570	\$ 52,706,539	\$ 53,269,618	\$ 38,750,813	\$ 35,669,454	\$ 28,933,445	\$ 26,017,084	\$ 27,175,450	\$ 25,466,478	\$ 26,506,095
Net (Expense)/Revenue										
Governmental Activities	\$ (30,974,413)	\$ (29,146,020)	\$ (30,037,410)	\$ (28,377,391)	\$ (25,711,124)	\$ (27,011,439)	\$ (30,113,609)	\$ (30,303,098)	\$ (31,734,572)	\$ (32,425,286)
Business-Type Activities	-	-	(3,374,858)	(2,940,777)	(1,595,802)	(1,091,132)	(843,863)	(1,407,049)	(1,374,119)	(899,620)
Total Primary Government Net Expense	\$ (30,974,413)	\$ (29,146,020)	\$ (33,412,268)	\$ (31,318,168)	\$ (27,306,926)	\$ (28,102,571)	\$ (30,957,472)	\$ (31,710,147)	\$ (33,108,691)	\$ (33,324,916)

Jefferson County, Wisconsin
Table 2
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes, Levied for General Purposes	\$ 21,996,545	\$ 22,657,524	\$ 15,801,624	\$ 17,040,530	\$ 18,581,336	\$ 22,108,805	\$ 21,200,422	\$ 21,850,075	\$ 21,822,668	\$ 21,911,746
Property Taxes, Levied for Debt Service	1,857,451	1,767,240	254,779	266,663	269,481	346,469	109,744	54,584	-	1,180,096
Sales Taxes	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804	5,028,614	5,185,167	5,597,515	5,847,632
Other Taxes	64,261	237,202	227,884	215,233	192,947	194,130	200,789	211,624	216,987	251,479
General State Aid	2,477,135	2,567,877	2,588,923	2,660,723	2,551,153	2,545,627	2,147,815	2,136,112	2,158,512	2,159,448
Investment Earnings	1,997,938	2,213,021	1,173,207	579,274	312,281	322,268	500,337	76,253	371,016	367,539
Miscellaneous	1,726,410	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	1,387,021	4,391,547	316,638	3,501,491	-	-	-	-
Transfers	-	-	3,988,632	29,940,178	11,289,643	34,012,594	4,309,648	2,725,717	(8,241,554)	2,576,423
Total Governmental Activities	\$ 34,982,341	\$ 34,504,225	\$ 30,519,219	\$ 29,940,178	\$ 38,424,835	\$ 34,012,594	\$ 33,497,369	\$ 32,239,532	\$ 21,925,144	\$ 34,294,363
Business-Type Activities:										
Property Taxes, Levied for General Purposes	\$ -	\$ -	\$ 9,174,434	\$ 8,528,480	\$ 8,151,177	\$ 5,350,198	\$ 6,171,980	\$ 5,845,949	\$ 5,949,105	\$ 5,743,609
Gain (Loss) on Sale of Capital Assets	-	-	-	(4,391,547)	(1,269,884)	51,376	38,734	234,784	176,939	263,479
Transfers	-	-	(3,988,632)	-	(11,289,643)	(3,501,491)	(4,309,648)	(2,725,717)	8,241,554	(2,576,423)
Total Business-Type Activities	\$ -	\$ -	\$ 5,185,802	\$ 4,136,933	\$ (4,408,350)	\$ 1,900,083	\$ 1,901,066	\$ 3,355,016	\$ 14,367,598	\$ 3,430,665
Total Primary Government	\$ 34,982,341	\$ 34,504,225	\$ 35,705,021	\$ 34,077,111	\$ 34,016,485	\$ 35,912,677	\$ 35,398,435	\$ 35,594,548	\$ 36,292,742	\$ 37,725,028
Change in Net Position										
Governmental Activities	\$ 4,007,928	\$ 5,358,205	\$ 481,809	\$ 1,562,787	\$ 12,713,711	\$ 7,001,155	\$ 3,383,760	\$ 1,936,434	\$ (9,809,428)	\$ 1,869,067
Business-Type Activities	-	-	1,810,944	1,196,156	(6,004,152)	808,951	1,057,203	1,947,967	12,993,479	2,531,045
Total Primary Government	\$ 4,007,928	\$ 5,358,205	\$ 2,292,753	\$ 2,758,943	\$ 6,709,559	\$ 7,810,106	\$ 4,440,963	\$ 3,884,401	\$ 3,184,051	\$ 4,400,112

*** Prior to 2008, all activities were reported as governmental activities, therefore this information is not available.

Note: Information is from the Statement of Activities

Jefferson County, Wisconsin
Table 3
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 2,166,780	\$ 2,892,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated										
General Fund	23,206,218	26,955,477	-	-	-	-	-	-	-	-
Unreserved, Undesignated	3,384,619	-	-	-	-	-	-	-	-	-
Non-spendable	-	-	3,816,147	5,149,488	5,646,343	6,131,193	5,533,132	4,513,985	4,997,001	4,660,175
Restricted	-	-	329,846	1,230,905	3,114,279	1,302,628	1,203,894	2,151,990	2,155,453	1,954,166
Committed	-	-	6,021,094	4,743,732	2,432,986	2,719,373	4,514,800	2,740,019	2,647,892	197,593
Assigned	-	-	15,737,181	14,132,126	18,729,656	2,729,227	2,765,043	2,717,870	2,809,588	5,581,140
Unassigned	-	-	173,433	-	489,194	18,605,453	17,317,482	17,093,382	16,685,285	17,628,190
Total General Fund	<u>28,757,617</u>	<u>29,847,545</u>	<u>26,077,701</u>	<u>25,256,251</u>	<u>30,412,458</u>	<u>31,487,874</u>	<u>31,334,351</u>	<u>29,217,246</u>	<u>29,295,219</u>	<u>30,021,264</u>
All Other Governmental Funds										
Reserved	2,533,146	2,128,322	-	-	-	-	-	-	-	-
Unreserved Designated	1,928,103	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	2,579,525	-	-	-	-	-	-	-	-
Non-Spendable	-	-	259,342	252,328	178,800	169,776	175,670	201,908	262,943	265,692
Restricted	-	-	64,567	89,275	171,965	555,822	725,898	4,487,547	3,296,156	2,802,223
Committed	-	-	14,121	19,212	74,026	220,059	413,106	1,324,594	397,328	-
Assigned	-	-	-	-	-	-	74,660	-	-	680,255
Total All Other Governmental Funds	<u>\$ 4,461,249</u>	<u>\$ 4,707,847</u>	<u>\$ 338,030</u>	<u>\$ 360,815</u>	<u>\$ 424,791</u>	<u>\$ 945,657</u>	<u>\$ 1,389,334</u>	<u>\$ 6,014,049</u>	<u>\$ 3,956,427</u>	<u>\$ 3,748,170</u>

Note: GASB Statement No. 54 was early implemented in 2008.

Note: Information is from the Balance Sheet - Governmental Funds

Jefferson County, Wisconsin
Table 4
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue										
Property Taxes	\$ 23,853,996	\$ 24,420,908	\$ 15,631,519	\$ 17,143,631	\$ 18,677,503	\$ 22,305,233	\$ 22,167,257	\$ 22,286,767	\$ 22,093,055	\$ 23,803,249
Sales Tax	4,862,601	5,061,361	5,097,149	4,786,208	4,911,356	4,993,804	5,028,614	5,185,167	5,597,515	5,847,633
Intergovernmental Revenues	26,986,803	30,307,011	27,228,064	14,960,461	19,195,509	18,628,306	12,752,124	13,738,617	12,561,489	12,818,358
Licenses and Permits	292,843	297,996	224,895	220,054	185,968	182,439	178,358	174,289	197,419	213,283
Fines and Forfeitures	633,182	610,008	572,218	544,138	438,182	450,299	432,431	388,273	435,975	437,789
Public Charges for Services	18,983,912	17,960,367	9,811,290	8,831,025	6,294,531	7,061,871	7,203,332	7,058,035	7,123,106	7,175,358
Inter-Governmental Charges	7,454,459	4,907,679	553,662	590,222	642,951	676,122	1,557,649	1,826,939	2,042,032	2,108,915
Inter-Departmental Charges							87,431	82,269		
Miscellaneous Revenues	2,791,283	3,425,055	2,463,973	1,569,189	1,286,966	1,586,726	1,520,794	1,293,644	1,249,339	1,218,157
Total Revenues	85,859,079	86,990,385	61,582,770	48,644,929	51,632,966	53,884,800	50,927,990	52,034,000	51,299,330	53,622,742
Expenditures										
General Government	6,427,692	6,934,583	7,375,693	6,383,364	6,660,932	6,969,259	6,970,657	6,742,721	7,481,017	8,201,569
Public Safety	11,507,238	12,263,006	13,737,707	13,074,443	12,818,836	13,048,162	12,641,429	12,963,137	12,963,137	13,178,347
Public Works	5,763,740	5,583,036	149,495	137,569	76,564	100,446	135,273	1,294,686	118,137	221,248
Health and Human Services	49,908,754	49,346,376	37,976,647	25,150,641	22,688,387	22,021,322	22,311,781	21,500,639	23,573,624	23,864,967
Culture, Recreation, & Education	2,777,746	2,974,333	3,286,239	3,151,768	3,247,602	3,438,459	3,391,161	3,413,055	3,287,740	3,259,352
Conservation and Development	1,221,905	1,426,162	1,584,123	1,341,778	1,808,807	1,986,842	2,619,923	3,290,331	1,354,083	1,457,671
Capital Outlay	3,945,750	5,355,183	2,080,471	1,948,808	6,701,930	4,441,312	2,049,562	4,099,888	14,535,276	5,483,937
Debt Service										
Principal	4,170,064	1,530,000	203,054	224,961	239,002	366,808	108,937	54,468	-	995,000
Interest and Fiscal Charges	347,684	241,180	51,506	41,921	30,479	7,339	807	78,699	184,803	495,396
Total Expenditures	86,070,553	85,653,859	66,444,935	51,455,253	54,272,539	52,379,949	50,272,937	53,115,916	63,497,817	57,157,487
Excess of Revenues Over (Under) Expenditures	(211,474)	1,336,526	(4,862,165)	(2,810,324)	(2,639,573)	1,504,851	655,053	(1,081,916)	(12,197,887)	(3,534,745)
Other Financing Sources (Uses)										
Proceeds from Notes Payable	-	-	-	-	-	-	-	-	-	14,000
Proceeds From Sale of Capital Assets	-	-	1,344,550	-	316,638	156,338	-	-	-	-
Transfer In	7,403,548	3,957,546	1,714,504	2,329,087	7,644,082	911,726	190,736	1,819,577	255,258	216,556
Transfer Out	(7,403,548)	(3,957,546)	(795,563)	(317,427)	(100,964)	(976,633)	(555,635)	(1,828,658)	(255,258)	(216,556)
General Obligation Debt Issued	-	-	-	-	-	-	-	3,505,000	9,995,000	3,885,000
Premium on Debt Issued	-	-	-	-	-	-	-	93,607	223,236	153,533
Total Other Financing Sources (Uses)	-	-	2,263,491	2,011,660	7,859,756	91,431	(364,899)	3,589,526	10,218,236	4,052,533
Net Change in Fund Balances	\$ (211,474)	\$ 1,336,526	\$ (2,598,674)	\$ (798,664)	\$ 5,220,183	\$ 1,596,282	\$ 290,154	\$ 2,507,610	\$ (1,979,651)	\$ 517,788
Debt Service as a Percentage of Noncapital Exp.	5.5%	2.2%	0.4%	0.5%	0.6%	0.8%	0.2%	0.3%	0.3%	2.7%

Note: Information is from the Statement of Revenue, Expenditures, and Fund Balance

Jefferson County, Wisconsin
Table 5
Program Revenues by Function/Program
Last Ten Years
(accrual basis of accounting)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	\$ 1,102,393	\$ 2,121,043	\$ 2,026,780	\$ 2,084,959	\$ 1,856,682	\$ 1,924,318	\$ 2,195,338	\$ 1,873,661	\$ 1,840,169	\$ 1,917,930
Public Safety	1,717,173	2,163,229	2,254,013	2,255,484	6,607,163	3,892,085	1,736,418	1,870,180	2,039,956	2,037,927
Public Works	6,208,828	6,514,295	1,049,366	(61,207)	104,987	161,045	128,122	132,871	172,821	149,464
Health and Human Services	38,185,505	39,857,678	30,093,039	16,524,555	14,175,328	14,169,945	13,694,458	13,812,127	14,677,610	15,114,660
Culture, Recreation, and Education	483,505	969,811	982,855	1,438,040	1,163,847	1,760,540	1,317,897	1,506,164	1,382,531	1,359,356
Conservation and Development	391,166	1,080,483	1,074,284	981,957	988,800	1,688,388	1,894,652	2,649,650	527,887	621,308
Subtotal Governmental Activities	48,088,570	52,706,539	37,480,337	23,223,788	24,896,807	23,596,321	20,966,885	21,844,653	20,640,974	21,200,645
Business-Type Activities										
Countryside Home	***	***	9,311,166	10,089,030	4,654,607	-	-	-	-	-
Highway Department	***	***	6,478,115	5,266,744	6,118,040	5,337,124	5,050,199	5,330,797	4,825,504	5,305,450
Subtotal Business-Type Activities	-	-	15,789,281	15,355,774	10,772,647	5,337,124	5,050,199	5,330,797	4,825,504	5,305,450
Total Primary Government	\$ 48,088,570	\$ 52,706,539	\$ 53,269,618	\$ 38,579,562	\$ 35,669,454	\$ 28,933,445	\$ 26,017,084	\$ 27,175,450	\$ 25,466,478	\$ 26,506,095

*** Information not available. All activities were reported as Governmental for the years prior to 2008.

Note: Information is from the Statement of Activities

Jefferson County, Wisconsin
Table 6
Tax Revenues by Source, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Fiscal Year	Property	Sales & Use	Real Estate Fees	Statutory Interest & Penalties	Other	Total
2006	23,136,533 (a)	\$ 4,862,601	\$ 254,211	\$ 434,704	\$ 28,545	\$ 28,716,595
2007	23,740,079 (a)	5,061,361	207,176	443,626	30,026	29,482,268
2008	24,095,480 (a)	5,097,149	184,791	482,589	43,093	29,903,102
2009	16,305,452	4,786,208	127,642	622,946	87,591	21,929,839
2010	17,723,079	4,911,356	144,727	761,477	48,220	23,588,859
2011	21,272,368	4,993,804	140,936	838,735	53,194	27,299,038
2012	20,814,267	5,028,614	129,730	1,152,202	71,059	27,195,870
2013	21,194,518	5,185,167	154,541	880,624	57,083	27,471,933
2014	21,094,058	5,597,515	160,521	782,011	56,465	27,690,571
2015	22,825,644	5,847,633	192,093	726,124	59,389	29,650,882
Change 2006 - 2015	-1.3%	20.3%	-24.4%	67.0%	108.1%	3.3%

(a) All activities were reported in the Governmental Funds. Proprietary Funds were not accounted for separately per the prior auditor's interpretation.

Jefferson County, Wisconsin

Table 7

Equalized Value of Taxable Property (a)

Last Ten Years

Fiscal Year Ended Dec. 31,	Residential Property	Commercial Property	Manufacturing Property	Agricultural Property	Other	Personal Property	Less: Tax Incremental District (TID)	Total Taxable Equalized Value (b)	Total Direct Tax Rate (c)
2006	4,533,782,600	907,808,200	236,511,400	49,600,500	437,912,200	111,346,400	203,428,900	6,073,532,400	3.7293
2007	4,864,428,800	989,803,400	284,482,900	52,880,700	368,436,500	116,831,700	236,040,400	6,440,803,600	3.6158
2008	4,996,622,300	1,001,236,700	295,701,500	52,804,000	426,298,100	124,508,000	271,340,500	6,625,830,100	3.5862
2009	4,961,968,800	1,024,119,800	284,205,200	56,378,500	421,932,000	131,830,100	268,824,900	6,611,609,500	3.6739
2010	4,789,141,700	1,006,781,200	285,619,000	55,378,700	398,539,000	128,279,600	287,292,500	6,376,446,700	3.8913
2011	4,670,544,100	1,055,022,900	278,639,600	49,605,600	405,048,100	125,035,200	305,006,000	6,278,889,500	3.9401
2012	4,435,600,200	1,017,813,000	264,080,400	48,154,200	400,696,000	129,224,100	289,294,700	6,006,273,200	4.1521
2013	4,358,123,700	988,660,400	260,269,100	46,358,700	407,269,700	126,307,500	302,214,800	5,884,774,300	4.2655
2014	4,500,624,200	995,751,000	262,940,500	45,382,900	367,237,000	130,412,000	308,774,900	6,036,629,100	4.3917
2015	4,628,987,000	986,263,300	268,000,400	45,982,600	383,484,000	132,044,700	311,486,400	6,177,155,800	4.3259

Source: Wisconsin Department of Revenue, Bureau of Property Tax

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts such as counties are required to use equalized value for levying property taxes. Equalized value, defined by State Statute, is the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax.
- (b) Equalized Values are reduced to Tax Increment District value increments for apportioning the County levy.
- (c) Per \$1,000 of equalized value

Jefferson County, Wisconsin
Table 8
Direct and Overlapping Property Tax Rates
Last Ten Years
(Rate per \$1,000 of equalized value)

	2006	2007	2008	2009	2010
County direct rates (a)					
General	3.7293	3.6158	3.5862	3.6739	3.8913
Federated Library (b)	0.2907	0.2901	0.2838	0.2986	0.3164
Health (c)	0.0665	0.046	0.0473	0.125	0.1625
Towns					
Aztalan	9.67	11.41	10.25	11.60	12.21
Cold Spring	9.54	10.57	10.17	10.53	11.61
Concord	9.08	10.77	9.54	11.18	11.40
Farmington	7.35	8.85	7.45	9.11	9.11
Hebron	9.24	10.48	8.88	10.68	11.62
Ixonia	9.66	9.85	9.91	10.19	12.04
Jefferson	9.05	10.26	8.69	10.52	11.69
Koshkonong	7.87	10.12	8.24	9.97	9.59
Lake Mills	8.62	12.65	8.03	12.43	11.02
Milford	8.39	10.13	7.93	10.33	10.88
Oakland	8.31	12.99	7.78	13.00	10.94
Palmyra	9.97	11.29	9.72	10.95	11.41
Sullivan	9.60	11.11	8.82	10.86	12.48
Sumner	9.57	12.82	9.96	12.87	13.30
Waterloo	9.60	10.65	9.03	11.10	11.55
Watertown	8.26	10.03	7.61	9.51	12.14
Villages					
Cambridge	15.63	15.99	14.63	16.83	10.30
Johnson Creek		14.52	13.99	14.04	19.41
Lac La Belle		11.57	11.32	12.79	15.16
Palmyra		14.09	14.14	16.04	13.46
Sullivan		12.53	12.14	16.05	18.25
Cities					
Fort Atkinson		15.46	15.51	15.22	16.45
Jefferson		13.89	13.97	14.40	17.84
Lake Mills		14.07	13.79	15.82	17.17
Waterloo		16.24	16.75	16.79	16.96
Watertown		13.89	14.21	14.48	18.57
Whitewater		13.24	13.57	13.79	17.30
				12.40	16.78

- (a) Wisconsin Act 32 allows a County to increase its total property tax levy for the percentage change in the County growth in equalized value due to net new construction between the previous year and the current year.
- (b) There are nine member libraries in the Federated Library System. The tax applies to taxable properties in the eighteen communities without a library.
- (c) City of Watertown has their own health department, therefore the tax does not apply to that municipality.

Source: Calculations per Jefferson County Treasurers Office

Jefferson County, Wisconsin
Table 8
Direct and Overlapping Property Tax Rates
Last Ten Years
(Rate per \$1,000 of equalized value)

	2011	2012	2013	2014	2015
County direct rates (a)					
General	3.9401	4.1521	4.2655	4.3917	4.3259
Federated Library (b)	0.3249	0.3645	0.3455	0.3378	0.3379
Health (c)	0.1786	0.1716	0.1726	0.1663	0.1551
Towns					
Aztalan	12.29	13.85	13.27	13.18	12.79
Cold Spring	12.20	12.69	12.21	12.90	11.92
Concord	11.88	12.99	11.31	12.03	10.94
Farmington	10.00	11.39	10.22	11.33	8.73
Hebron	12.52	12.74	14.29	14.35	13.24
Ixonia	12.27	12.50	13.01	13.37	11.42
Jefferson	13.63	13.41	13.55	13.61	12.35
Koshkonong	10.23	12.09	10.06	12.47	9.01
Lake Mills	11.14	15.06	12.47	15.63	11.12
Milford	11.27	12.18	11.39	12.37	10.77
Oakland	10.81	15.56	12.02	16.15	11.20
Palmyra	11.97	13.23	11.98	13.35	11.62
Sullivan	11.79	14.91	12.78	15.06	11.63
Sumner	11.83	15.29	12.77	15.39	11.00
Waterloo	12.19	13.08	12.76	13.58	12.69
Watertown	10.56	10.96	11.26	11.93	9.64
Villages					
Cambridge	19.58	20.60	18.90	19.43	24.25
Johnson Creek	15.59	17.02	17.06	19.20	23.45
Lac La Belle	13.58	13.76	10.39	11.58	16.04
Palmyra	18.23	19.09	19.06	20.27	23.61
Sullivan	17.68	17.82	20.18	20.98	21.35
Cities					
Fort Atkinson	18.33	18.88	19.50	17.84	22.86
Jefferson	18.68	19.34	19.91	19.35	23.57
Lake Mills	17.18	18.69	19.03	17.33	22.32
Waterloo	20.29	19.80	21.57	20.25	24.41
Watertown	18.14	19.09	19.22	18.26	22.71
Whitewater	16.14	16.82	17.36	16.92	21.13

- (a) Wisconsin Act 32 allows a County to increase its total property tax levy for the percentage change in the County growth in equalized value due to net new construction between the previous year and the current year.
- (b) There are nine member libraries in the Federated Library System. The tax applies to taxable properties in the eighteen communities without a library.
- (c) City of Watertown has their own health department, therefore the tax does not apply to that municipality.

Jefferson County, Wisconsin
Table 9
Principal Taxpayers
Current and Nine Years Ago

<u>Taxpayer</u>	<u>Industry</u>	<u>2015</u>			<u>2006</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
CPG Partners LP	Commercial	\$ 32,444,400	1	0.53%	34,064,300	1	0.56%
Standard Process	Manufacturing	25,231,009	2	0.41%	11,587,100	6	0.19%
Wal-mart Real Estate	Commercial	23,471,400	3	0.38%	11,097,200	7	0.18%
Menards	Commercial	17,780,800	4	0.29%	25,074,600	2	0.41%
Art Mtg Borrow Propco 2010-5 LLC	Manufacturing	17,849,900	5	0.29%			
Clasen Quality Coating	Manufacturing	15,846,300	6	0.26%			
Watertown Square, LLC	Commercial	13,856,900	7	0.22%			
Gundlach Properties, LLC	Commercial	12,195,106	8	0.20%			
Cold Spring Egg Farm	Commercial	12,481,815	9	0.20%			
Jones Dairy Farm	Manufacturing	11,614,500	10	0.19%			
On-Cor Frozen Foods, LLC	Manufacturing				9,424,600	8	0.16%
Jefferson Cold Storage	Commercial				11,774,900	5	0.19%
Barry Draeger	Commercial				8,018,600	9	0.13%
Audubon Park Apartments	Commercial				7,779,500	10	0.13%
Generac Power Systems	Manufacturing				13,050,000	4	0.21%
Stage II Jefferson, LLC	Manufacturing				16,188,600	3	0.27%
Total		<u><u>\$ 182,772,130</u></u>		<u><u>2.96%</u></u>	<u><u>148,059,400</u></u>		<u><u>2.44%</u></u>
Total County Taxable Assessed Value		6,177,155,800			6,073,532,400		

Source: Jefferson County Tax System

Jefferson County, Wisconsin
Table 10
Property Tax Levies and Collections
Last Ten Years

Settlement Year (a)	Total Tax Roll	As of December 31 of Settlement Year		Cumulative as of December 31, 2015	
		Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy
2006	104,776,137	103,386,716	98.67%	104,775,170	100.00%
2007	111,339,922	109,556,710	98.40%	111,325,154	99.99%
2008	117,796,257	114,571,835	97.26%	117,754,040	99.96%
2009	124,711,690	116,442,168	93.37%	124,659,246	99.96%
2010	130,967,493	128,030,120	97.76%	130,807,031	99.88%
2011	137,610,725	134,571,659	97.79%	137,367,930	99.82%
2012	141,099,809	138,698,061	98.30%	140,749,769	99.75%
2013	141,791,630	140,002,148	98.74%	141,318,234	99.67%
2014	141,509,063	140,014,693	98.94%	140,771,206	99.48%
2015	139,186,915	137,991,285	99.14%	137,991,285	99.14%

Source: Jefferson County Treasurer's Tax Settlement Reports

(a) The County levy is settled (collected) by the County Treasurer in the year following the year it is levied.

Jefferson County, Wisconsin
Table 11
Ratio of Outstanding Debt to Equalized Valuation and Debt Per Capita
Last Ten Years

<u>Year Ending December 31</u>	<u>Estimated Population (A)</u>	<u>(\$000's) Personal Income (B)</u>	<u>Equalized Valuation (C)</u>	<u>Outstanding Debt</u>	<u>Percent of Debt to Equalized Valuation</u>	<u>Percent of Debt to Personal Income</u>	<u>Debt Per Capita</u>
2006	80,092	2,651,277	6,276,961,300	8,184,175	0.13%	0.31%	102.18
2007	80,411	2,731,064	6,676,844,000	6,697,230	0.10%	0.25%	83.29
2008	81,022	2,805,133	6,897,170,600	5,069,176	0.07%	0.18%	62.57
2009	81,310	2,789,723	6,880,434,400	3,944,215	0.06%	0.14%	48.51
2010	83,686	2,835,542	6,663,739,200	530,213	0.01%	0.02%	6.34
2011	83,794	2,939,310	6,583,895,500	163,405	0.00%	0.01%	1.95
2012	83,857	3,104,495	6,295,567,900	54,468	0.00%	0.00%	0.65
2013	83,940	3,207,151	6,186,989,100	3,419,898	0.06%	0.11%	40.74
2014	83,974	3,333,144	6,345,404,000	13,809,372	0.22%	0.41%	164.45
2015	84,255	*	6,488,642,200	16,846,457	0.26%	*	199.95

*Information not yet available

NOTES:

(A) Source: Census Data, Wisconsin Department of Administration.

(B) Bureau of Economic Analysis - US Department of Commerce

(C) Wisconsin Department of Revenue Property Tax Reports.

Jefferson County, Wisconsin
Table 12
Legal Debt Margin Information
Last Ten Years
(dollars in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Value of Real and Personal Property (A)	\$ 6,276,961	\$ 6,676,844	\$ 6,897,171	\$ 6,880,434	\$ 6,663,739	\$ 6,583,896	\$ 6,295,568	\$ 6,186,989	\$ 6,345,404	\$ 6,488,642
Debt Limit, 5% of Equalized Valuation (Wisconsin Statutory Limitation)	\$ 313,848	\$ 333,842	\$ 344,859	\$ 344,022	\$ 333,187	\$ 329,195	\$ 314,778	\$ 309,349	\$ 317,270	\$ 324,432
Amount of Debt Applicable to Debt Limitation:										
General Obligation Promissory Notes	8,184	6,697	5,069	3,944	530	163	54	3,420	13,809	16,846
Less: Debt Service Funds	(4)	(1,843)	(267)	(269)	(346)	(110)	(54)	(85)	(188)	(75)
Total Amount of Debt Applicable to Debt Margin	8,180	4,854	4,802	3,675	184	53	0	3,335	13,621	16,771
Legal Debt margin - (Debt Capacity)	\$ 305,668	\$ 328,988	\$ 340,056	\$ 340,346	\$ 333,003	\$ 329,141	\$ 314,778	\$ 306,015	\$ 303,649	\$ 307,661
Percent of Debt Capacity Used	2.6%	1.5%	1.4%	1.1%	0.1%	0.0%	0.0%	1.1%	4.3%	5.2%

(A) Equalized Value from Table 11

Jefferson County, Wisconsin
Table 13
Demographic and Economic Statistics
Last Ten Years

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) (\$000's) Personal Income</u>	<u>Per Capita Personal Income</u>	<u>(3) Public School Enrollment</u>	<u>(3) Private School Enrollment</u>	<u>(4) Average Unemployment Rate</u>
2006	80,092	2,651,277	33,103	11,934	3,691	4.5%
2007	80,411	2,731,064	33,964	11,919	3,714	4.8%
2008	81,022	2,860,005	35,299	12,249	3,697	4.9%
2009	81,310	2,764,541	34,000	12,410	3,559	9.3%
2010	83,686	2,835,542	33,883	12,661	3,424	9.2%
2011	83,794	2,939,310	35,078	12,844	3,317	8.2%
2012	83,857	3,104,495	37,021	12,809	3,254	7.3%
2013	83,940	3,207,151	38,208	12,777	3,239	7.1%
2014	83,974	3,333,144	39,693	12,695	3,033	5.2%
2015	84,255	*	*	12,553	3,074	*

*Information not yet available

Sources:

- (1) Fiscal year 2010 is U.S. Census figure; all other figures are estimated by the Wisconsin Department of Administration
- (2) Personal Income from Table 11.
- (3) Wisconsin Department of Public Instruction.
- (4) Bureau of Labor Statistics

**Jefferson County, Wisconsin
Table 14
Principal Employers
Current and Nine Years Ago**

		2015		2006	
<u>Taxpayer</u>	<u>Industry</u>	Range of Number of Employees	Rank	Range of Number of Employees	Rank
Nasco Int'l Inc.	Plastic manufacturing	1000-4999	1		
Trek Bicycle Corporation	Motorcycle, bicycle & parts manufacturing	500-999	2	1000-4999	1
UW Health Partners	General medical & surgical hospitals	500-999	3		
Wal-Mart	Discount department stores	500-999	4	500-999	7
Fort Healthcare Inc.	General medical & surgical hospitals	500-999	5	500-999	2
Generac Power Systems Inc.	Motor & generator manufacturing	500-999	6	500-999	5
Cygnus Business Medical	All Other Support Services	500-999	7		
County of Jefferson	Executive & legislative officers, combined	500-999	8		
South Comm Communications	Publishing services	500-999	9		
Spacesaver Corp.	Office furniture manufacturing	250-499	10		
Briggs & Stratton Power Products	Motor & generator manufacturing			500-999	3
Bethesda Lutheran Communities Inc.	Residential mental facilities			500-999	4
Terra Staffing Services	Temporary help services			500-999	6
Aristotle Corp.	Other professional equipment wholesalers			500-999	8
Perry Judd's Inc.	Commercial printing			250-499	10
A Life Style Service Inc.	Temporary help services			500-999	9

Source: State of Wisconsin Department of Workforce Development, ReferenceUSA, & Jefferson County budgeted positions.

Jefferson County, Wisconsin

Table 15

Full-time Equivalent Budgeted County Positions by Functional Area
Last Ten Years

Functional Areas:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	88.85	86.95	89.95	86.70	85.20	85.75	88.00	91.50	92.45	89.85
Public Safety	133.65	133.15	133.15	128.90	127.90	126.80	128.15	127.75	127.40	126.50
Public Works	65.00	63.00	61.00	63.40	59.60	58.60	58.60	58.60	58.25	58.25
Health and Human Services	376.20	371.65	365.15	370.75	341.25	175.55	176.55	178.70	187.00	196.55
Culture & Recreation	16.75	18.35	19.90	17.30	18.10	18.20	22.60	20.70	20.08	19.98
Conservation and Development	16.70	15.70	14.70	13.00	13.20	13.00	13.50	13.50	13.50	13.50
Total Position Equivalents	697.15	688.80	683.85	680.05	645.25	477.90	487.40	490.75	498.68	504.63

Note:

A full-time employee is scheduled to work a set number of standard hours, depending on their position. Full-time equivalent employment is calculated by dividing budgeted total labor hours by standard hours.

Source: Jefferson County Human Resources Department

Jefferson County, Wisconsin

Table 16

**Miscellaneous Operation Indicators
Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Communications Center Calls for Service	60,321	59,888	62,661	73,126	78,659	74,540	75,911	62,645	62,646	63,945
Drug Task Force Cases	868	859	639	703	815	704	805	801	891	831
Annual Number of Inmates Held in Jail	4,091	4,074	3,638	3,244	2,561	2,514	2,588	2,519	2,560	2,557
Average Daily Jail Population	183	194	195	176	143	158	158	147	146	140
Public Works										
Centerline Miles of Road Maintained										
Interstate	24.6	24.6	24.6	24.6	24.6	24.6	24.6	20.4	20.4	20.4
State	152.8	152.8	152.8	152.8	152.8	152.8	154.2	159.1	159.1	159.1
County	257.4	257.1	256.7	256.6	256.0	256.0	255.8	255.9	255.8	157.3
Local	960.7	968.2	972.1	979.5	980.2	982.3	992.2	997.0	1,000.4	1,006.3
Health and Human Services										
Economic Support - Households Receiving Assistance	4,068	4,201	4,710	5,237	5,676	6,020	7,177	7,384	7,731	7,634
Medical assistance - Number of Recipients	7,436	7,868	8,865	11,110	12,257	12,713	12,453	12,459	12,471	12,628
- Percentage of Population	9%	10%	11%	14%	15%	15%	15%	15%	15%	15%
Foodshare - Monthly Average Number of Recipients	2,973	3,340	3,823	5,590	7,214	7,954	9,025	9,467	9,161	8,592
Children Alternate Care Placements	82	100	93	121	185	147	158	96	136	137
Culture, Recreation, & Education										
Dog Park Daily Entrance Stickers	1,451	1,972	1,566	1,291	669	842	968	1,013	1,059	1,358
Dog Park Annual Stickers	941	983	746	1,000	1,134	1,300	1,490	1,656	1,772	1,677
Park Acreage	800	828	827	827	827	947	947	947	965	970
Fair Park Gate Attendance	*	*	*	*	*	42,868	46,485	47,547	43,522	42,727
Fair Park Event Days	*	*	*	*	*	252	272	259	239	226
Fair Park Number of Events	*	*	*	*	*	277	358	355	228	194

* Information not available

Source: Jefferson County Departments

Jefferson County, Wisconsin
Table 17
Capital Asset Statistics by Functional Area
Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Patrol Division Vehicles	18	18	18	19	19	19	19	19	20	20
County Jail Facility Capacities	229	229	229	229	229	229	229	229	229	229
Communication Towers Owned	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Public Works										
County Miles of Roads	257.4	257.1	256.7	256.6	256.0	256.0	255.8	255.9	255.8	257.3
County Bridges & Culverts	18	21	21	21	21	21	21	21	21	21
Health and Human Services										
County Owned Acres of Farmland	757	757	757	381	381	452	452	452	452	452
Culture, Recreation, & Education										
County Operated Parks	17	17	16	16	16	16	16	16	16	16
County Operated Acres of Parks	800	828	827	827	827	947	947	947	965	970
County Operated Miles of Snowmobile Trails	171.1	171.1	182.7	182.7	182.7	182.7	182.7	182.7	182.7	182.7
County Operated Miles of Bike Trails	8.2	8.2	8.2	8.5	23.3	23.3	23.3	32.0	32.0	32.0
County Operated Miles of Cross Country Ski Trails	5.0	7.0	10.0	13.5	13.5	13.5	13.5	13.5	13.5	13.5
General Government										
Number of Court Branches	4	4	4	4	4	4	4	4	4	4
Miles of County-Owned Fiber Optic Cable	6.25	6.25	6.25	6.25	6.25	6.53	6.53	6.53	6.53	8.64

Source: Jefferson County Departments